



**PET VALU HOLDINGS LTD.**

NOTICE OF  
ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON  
MAY 10, 2022

AND

MANAGEMENT INFORMATION CIRCULAR

MARCH 28, 2022

**PET VALU HOLDINGS LTD.**

**Notice of Annual General Meeting of Shareholders  
May 10, 2022**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of the holders of common shares (“**Shares**”) in the capital of Pet Valu Holdings Ltd. and its subsidiaries (“**we**”, “**our**”, “**Pet Valu**” or the “**Company**”) will be held virtually via live webcast available online at <https://web.lumiagm.com/444260316> on, May 10, 2022 at **2:00 p.m.** (Toronto time) for the following purposes:

- (a) to receive the audited consolidated financial statements for the fiscal year ended January 1, 2022 and the auditor’s report thereon, a copy of which is enclosed herewith (the “**Annual Financial Statements**”);
- (b) to set the number of directors on the board of directors of the Company (the “**Board**”) for the ensuing year at ten (10);
- (c) to elect directors to the Board;
- (d) to appoint the Company’s auditor and to authorize the Board to fix their remuneration;
- (e) to consider and, if deemed advisable, adopt, on an advisory basis, a resolution accepting the Company’s approach to executive compensation, as more fully described in the accompanying management information circular; and
- (f) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular dated March 28, 2022 accompanying this Notice of Meeting (the “**Circular**”). **Shareholders (as this term is used in the Circular) are reminded to review the Circular prior to voting.**

We will hold the Meeting in a virtual only format, which will be conducted via live webcast available online at <https://web.lumiagm.com/444260316>. Registered Shareholders (as this term is used in the Circular) and duly appointed proxyholders will, on the website, be able to participate in the Meeting, submit questions and vote their Shares while the Meeting is being held.

The Board has fixed March 30, 2022 as the record date for the determination of shareholders entitled to receive notice of and vote at the Meeting. Any shareholder that has acquired Shares after the record date will not be entitled to receive notice of or vote those Shares at the Meeting.

If you are a registered Shareholder, whether or not you plan to attend the Meeting, you are encouraged to vote in advance of the Meeting by completing, signing, dating and returning the enclosed form of proxy to Computershare Investor Services Inc. (“**Computershare**”), the transfer agent, registrar and dividend distribution agent of the Shares. **To be valid, proxies must be deposited with Computershare, at 100 University Avenue, Toronto, Ontario M5J 2Y1 or over the internet at [www.investorvote.com](http://www.investorvote.com) no later than 2:00 p.m. (Toronto time) on May 6, 2022, or 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for such adjournment or postponement of the Meeting (the “Proxy Deadline”). The deadline for the deposit of proxies may be waived or extended by the chair of the Meeting at their discretion, without notice.**

If you are a beneficial shareholder (for example, if you hold your Shares in an account with a broker, dealer or other intermediary), whether or not you plan to attend the Meeting, you are encouraged to complete and return the form

of proxy or voting instruction form, as applicable, in accordance with the instructions provided by your broker or intermediary. Voting instruction forms must generally be received by your intermediary one business day prior to the Proxy Deadline. These instructions include the additional step of appointing and pre-registering your proxyholder with Computershare, the transfer agent, registrar and dividend distribution agent of the Shares, after submitting your form of proxy or voting instruction form. Failure to register your proxyholder with our transfer agent will result in your proxyholder not receiving a username required to participate in the Meeting (a “**Username**”) and only being able to attend as a guest. Beneficial shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests but will not be able to vote or submit questions at the Meeting. Please refer to the voting instructions provided in the “Appointment of Proxyholder and Revocation of Proxies” section of the accompanying Circular and contact your broker, investment dealer or other intermediary for information on how you can vote your Shares.

Shareholders who wish to appoint a third-party proxyholder to represent them at the online Meeting must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. To register a proxyholder, shareholders MUST visit <http://www.computershare.com/PetValu> by the Proxy Deadline and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a Username via email. Note that beneficial Shareholders generally must complete these steps one business day prior to the Proxy Deadline.

Following completion of the pre-registration process for those Shareholders appointing a proxyholder, you will receive a Username from Computershare via email after the voting deadline has passed. Your proxyholder may then log into the Meeting online by entering the Username provided by Computershare via email as their username and the password **petvalu2022** (case sensitive).

If you wish to attend and vote at the Meeting, please review the instructions under the heading *Instructions for Attending and Voting Virtually at the Meeting* beginning on page 5 of the Circular.

If you are a registered Shareholder and wish to attend the Meeting yourself and vote, you do not need to complete the enclosed proxy form. You may log into the Meeting online by entering the control number from your proxy form as your username and the password **petvalu2022** (case sensitive).

If you are a beneficial Shareholder and wish to attend the Meeting yourself and vote, you must submit your voting instruction form appointing yourself as proxyholder and then pre-register on the Computershare website. Your voting instruction form must generally be received one business day prior to the Proxy Deadline. Following completion and submission of your voting instruction form, visit Computershare’s pre-registration website (<http://www.computershare.com/PetValu>) and complete the form before the Proxy Deadline in order to access the Meeting online and vote. Following completion of these steps, you will receive a Username from Computershare via email after the voting deadline has passed. You may then log into the Meeting online by entering the Username provided by Computershare via email as your username and the password **petvalu2022** (case sensitive).

**DATED** at Toronto, Ontario this 28th day of March, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) “Anthony Truesdale”*  
Anthony Truesdale, Chairman of the Board



## **From the Chairman of the Board of Directors and the President & Chief Executive Officer**

Dear Shareholders,

We are honoured to celebrate with you Pet Valu Holdings Ltd.'s ("**Pet Valu**") record year in 2021, as well as share our excitement as we look ahead to 2022 and beyond.

The second year of the COVID-19 pandemic brought immense challenges, testing the resilience and fortitude of operators throughout the Canadian retail industry. Together, our franchise owners, Animal Care Experts ("**ACEs**"), and leaders faced evolving operating restrictions, including the limitation of over half our stores to curbside shopping for 20 of the first 26 weeks of 2021. During 2021, our people traversed these difficulties to serve our Devoted Pet Lover customers in a safe, compassionate and efficient manner while utilizing our growing suite of omni-channel capabilities. We are passionately proud of the perseverance of our people and want to express our deep appreciation to everyone across the organization for their enduring commitment to Pet Valu.

**Strong execution by our teams** was critical in enabling us to capitalize on the tremendous growth in the Canadian pet industry in 2021. Research indicates over 3 million new pets were added to Canadian households since the onset of the COVID-19 pandemic, representing five times the normal rate of adoptions as compared to pre-COVID-19 days, resulting in double digit industry growth in each of the last two years. With over 80% of these pets under the age of two, the need has never been more prevalent for convenient, compassionate, expert advice to assist new and existing pet owners in welcoming these new family additions. As Canada's local pet authority, we are uniquely positioned to fill that need, which helped further enhance our market leadership position in 2021.

### ***2021 financial and operating results***

Pet Valu delivered record financial results in 2021, supported by each of our three growth pillars: expanding our store network, driving same-store sales<sup>(1)</sup> growth and enhancing operating margins. **Revenue grew 22.6%** excluding the 53<sup>rd</sup> week in 2020, to \$776.0 million, fueled by **same-store sales growth of 17.8%**. This helped drive strong operating leverage, with **Adjusted EBITDA<sup>(2)</sup> rising 26.2%** and **net income increasing 245%, or 105.6% on an adjusted basis**.

At the same time, our leaders executed against our strategic agenda, advancing key initiatives to support immediate and long-term profitable growth. **We accelerated our store capital investments** with 30 new store openings last year, 50% more than 2020, while renovating, relocating or expanding 23 stores to maintain consistency across our network. **We modernized our omni-channel capabilities**, with the national rollout of direct-to-home delivery by February, click-and-collect by September, complemented by multiple digital enhancements to our website. **We elevated investments in our people**, including wage incentives to our corporate store ACEs for completion of our updated expert training certification, which further enhanced the customer service to and experience of our Devoted Pet Lovers. **We amplified our brand** through our fall campaign 'Love Lives Here™', highlighting the power of love provided by pets. And finally, **we continued to authentically serve our communities** through a month-long 'Companions for Change™' event to help pets in need.

### ***What's ahead for Pet Valu?***

As we look ahead, we remain committed to executing against our key growth pillars. Pet Valu is already off to a quick start to 2022. In February, we announced our acquisition of Les Franchises Chico Inc. ("**Chico**"), the largest pet specialty franchisor in the province of Quebec, granting us access to Canada's second largest province. With a similar average store size, average unit volume, product mix and service model, **Chico is a great cultural and operational fit with Pet Valu**, making them a strong partner in this market.

Our ongoing commitment to reinvesting in our business has helped Pet Valu earn the **#1 market share position in the Canadian pet products industry**. As we continue to invest, we are confident in our ability to navigate what promises to be another year of shifting tides in 2022, as the world adjusts to the long-term ramifications of the COVID-19 pandemic, works to emerge from global supply chain and inflationary pressures and looks to establish a new normal.

We, at Pet Valu, appreciate your continued interest and investment in our business, and thank you for your support as we deliver on **our mission to be Canada's preferred pet retailer, delivering the products, care, expertise and memorable moments devoted pet lovers want... locally in our over 700 stores across 10 provinces and everywhere online**.

Sincerely,

*"Anthony Truesdale"*

Chairman of the Board of Directors

*"Richard Maltsbarger"*

President, Chief Executive Officer & Secretary

<sup>[1]</sup> This is a supplementary financial measure. Refer to "How We Assess the Performance of Our Business" in the Company's Management's Discussion and Analysis for the fourth quarter ended January 1, 2022 ("MD&A"), incorporated by reference herein, for further information on supplementary financial measures, including their definitions.

<sup>[2]</sup> This is a Non-IFRS financial measure. Non-IFRS financial measures are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Refer to "Selected Consolidated Financial Information and Industry Metrics" in the Company's MD&A, incorporated by reference herein, for a reconciliation to the net income, an IFRS measure.

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## PET VALU HOLDINGS LTD.

### MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation, by or on behalf of the management of Pet Valu Holdings Ltd. and its subsidiaries (“**we**”, “**our**”, “**Pet Valu**” or the “**Company**”), of proxies to be used at the Company’s annual general meeting of the holders of common shares in the capital of the Company (the “**Shares**”) for the purposes set forth in the Notice of Annual General Meeting of Shareholders of the Company (the “**Shareholders**”) accompanying this Circular. The annual general meeting of Shareholders of the Company, or any adjournment(s) or postponements(s) thereof (the “**Meeting**”), will be held virtually via live audio webcast available online at <https://web.lumiagm.com/444260316> on May 10, 2022 at 2:00 p.m. (Toronto time).

### SOLICITATION OF PROXIES

#### Solicitation of Proxies

It is expected that the solicitation of proxies will be primarily by mail, but proxies may also be solicited personally, in writing or by telephone, email, internet, facsimile or other means of communication by representatives of the Company at nominal cost. The Company may also engage a third party to provide proxy solicitation services on behalf of management in connection with the solicitation of proxies for the Meeting. The cost of solicitation by management will be borne directly by the Company and will bear the legal, printing and other costs associated with the preparation of this Circular. The Company will reimburse investment dealers, brokers, banks, custodians, nominees and other fiduciaries for permitted fees and costs incurred by them in mailing soliciting materials to the beneficial owners of Shares, in accordance with National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”).

If you cannot attend the Meeting, complete and return the enclosed form of proxy in accordance with the instructions contained therein. Shareholders may also elect to vote by use of the internet in accordance with the instructions on the applicable form of proxy.

### APPOINTMENT OF PROXYHOLDER AND REVOCATION OF PROXIES

Each of the persons named in the enclosed form of proxy is a director (each, a “**Director**”) of the Board of Directors of the Company (the “**Board**”) and/or officer of the Company. **Each Shareholder has the right to appoint as proxyholder a person or company (who need not be a Shareholder of the Company) other than the person(s) designated by management of the Company in the enclosed form of proxy to attend and act on the Shareholder’s behalf at the Meeting or at any adjournment thereof.** A Shareholder who wishes to appoint some other person to represent him or her at the Meeting may do so either by inserting such other person’s name in the blank space provided in the form of proxy and signing the form of proxy, or by completing and signing another proper form of proxy, and, in either case, then registering the proxyholder at <http://www.computershare.com/PetValu> (please see “Instructions for Attending and Voting Virtually at the Meeting — Appointment and Registration of Proxyholders” below for details). Securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to the Company’s transfer agent, registrar and dividend distribution agent, Computershare Investor Services Inc. (“**Computershare**”), (Attention: Proxy Department), 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 prior to 2:00 p.m. (Toronto time) on May 6, 2022, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A Shareholder may revoke a proxy at any time by an instrument in writing executed by him or her or, if the Shareholder is a Company, under its corporate seal, or by an officer or attorney thereof duly authorized in writing, and by sending it to the same address where the form of proxy was sent and within the dates mentioned therein, or two business days preceding the date the Meeting resumes if it is adjourned, or by delivering it to the chairman of such Meeting on the day of the Meeting or any adjournment thereof.

Rather than returning the form of proxy, Shareholders who hold their Shares in their name (“**Registered Shareholders**”) may also elect to vote via the internet. Those Registered Shareholders electing to vote by telephone require a touch-tone telephone to transmit their voting preferences. Registered Shareholders electing to vote by telephone or via the internet must follow the instructions included in the form of proxy received from the Company.

If a Shareholder who has submitted a proxy attends the Meeting via live webcast using a 15-digit “Control Number” or Username and accepts the terms and conditions when entering the Meeting online, any votes cast by such Shareholder on a ballot will be counted and the submitted proxy will be disregarded (please see the information under the heading “Instructions for Attending and Voting Virtually at the Meeting” below for details).

### **Voting of Proxies and Exercise of Discretion by Proxyholder**

On any ballot that may be called for, the Shares represented by a properly executed proxy given in favour of the person(s) designated by management of the Company in the enclosed form of proxy or voting instruction form will be voted or withheld from voting in accordance with the instructions given on the form of proxy or voting instruction form, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted for, against, or withheld from voting, accordingly.

**In the absence of such instructions, Shares represented by a proxy will be voted for, against, or withheld from voting, in the discretion of the persons designated in the proxy. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof.**

As of the date of this Circular, management of the Company is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Company in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority. Unless otherwise required by law or other provisions binding upon the Company, any matter coming before the Meeting, or any adjournment(s) thereof, shall be decided by the majority of the votes duly cast in respect of the matter by Shareholders entitled to vote thereon.

### **INSTRUCTIONS FOR ATTENDING AND VOTING VIRTUALLY AT THE MEETING**

We will hold the Meeting in a virtual only format, which will enable Registered Shareholders and duly appointed proxyholders to submit questions and vote online. Beneficial Shareholders who have not appointed themselves as proxyholder may attend the live webcast of the Meeting, but will not have the ability to vote virtually or ask questions. A summary of the information Shareholders will need to attend and vote at the Meeting by live webcast is provided below.

#### **Attending the Meeting via Live Webcast**

Shareholders and duly appointed proxyholders are invited to attend the Meeting virtually via live webcast, by going to <https://web.lumiagm.com/444260316>.

Registered Shareholders and duly appointed proxyholders can participate in the Meeting by selecting “**I have a login**” and entering a Control Number or a Username assigned by Computershare (see details under the heading “– Appointment and Registration of Proxyholder” below) and the password **petvalu2022** (case sensitive) before the start of the Meeting as follows:

- Registered Shareholders – Enter the 15-digit control number located on the form of proxy or in the email notification you received as your username and the password **petvalu2022** (case sensitive).
- Duly appointed proxyholders – Enter the Username provided by Computershare (see details under the heading “Appointment and Registration of Proxyholder” below) and the password **petvalu2022** (case sensitive).
- Voting and submitting questions at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders.
- Beneficial Shareholders who have not appointed themselves as proxyholder may attend the Meeting by selecting “**I am a guest**” and completing the online form, however they will not be able to vote or submit questions.

Shareholders who wish to appoint a third party proxyholder to represent them at the online Meeting must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. To register a proxyholder, Shareholders **MUST** visit the internet website at <http://www.computershare.com/PetValu> by May 6, 2022 at 2:00 p.m. and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a Username via email. Note that beneficial Shareholders generally must complete these steps one business day prior to 2:00 p.m. (Toronto time) on May 6, 2022, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed Meeting.

In order to participate online, Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing a Username.

- United States beneficial holders: To attend and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare at [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com). Requests for registration should be directed to <http://www.computershare.com/PetValu>. Note that U.S. beneficial holders generally must complete these steps one business day prior to 2:00 p.m. (Toronto time) on May 6, 2022, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed Meeting.
- Beneficial Shareholders who do not have a 15-digit control number or Username will only be able to attend as a guest which allows them listen to the Meeting however will not be able to vote or submit questions. Please see the information under the heading “– Beneficial Shareholders” for an explanation of why certain Shareholders may not receive a form of proxy.

If you are using a 15-digit “Control Number” to login to the live webcast and submit a vote online, you will be revoking any and all previously submitted proxies. If you **DO NOT** wish to revoke all previously submitted proxies, you may log in to the live webcast using your Control Number, but do not submit a vote once you have logged in to the Meeting. In this case, your vote submitted by proxy prior to the Meeting will stand.

It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

### **Voting Virtually at the Meeting**

A Registered Shareholder, or a beneficial Shareholder who has appointed themselves or a third party proxyholder to represent them at the Meeting, will appear on a list of shareholders prepared by Computershare, the transfer agent and registrar for the Meeting. To vote their Shares at the Meeting, each Registered Shareholder or duly appointed proxyholder will be required to enter their control number or Username provided by Computershare as their username, and the password **petvalu2022** (case sensitive) at <https://web.lumiagm.com/444260316> prior to the start of the Meeting. In order to vote, beneficial Shareholders who appoint themselves as a proxyholder **MUST** register with Computershare at <http://www.computershare.com/PetValu> after submitting their voting instruction form in order to receive a Username (please see the information under the headings “Appointment and Registration of Proxyholder” below for details).

### **Appointment and Registration of Proxyholder**

Shareholders who wish to appoint a third party proxyholder to represent them at the online Meeting **must submit their proxy or voting instruction form (if applicable) prior to registering your proxyholder. Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register your proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting.** To register a proxyholder, Shareholders **MUST** visit <http://www.computershare.com/PetValu> by May 6, 2022 at 2:00 p.m. (Toronto time) and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a Username via email.

As noted above under “Appointment of Proxyholder and Revocation of Proxies” above, a form of proxy can be submitted to Computershare either in person, or by mail or courier, to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or via the internet at [www.investorvote.com](http://www.investorvote.com). The form of proxy must be deposited with Computershare by no later than 2:00 p.m. (Toronto time) on May 6, 2022, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed Meeting. If a Shareholder who has so submitted a form of proxy attends the Meeting via the webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast by such Shareholder on a ballot will be counted and the submitted form of proxy will be disregarded.

**Without a Username, proxyholders will not be able to vote at the Meeting.**

### **Beneficial Shareholders**

A Shareholder is a beneficial Shareholder if the Shareholder’s Shares are registered either in the name of (in each case, an “**Intermediary**”):

- (a) an Intermediary that the beneficial Shareholder deals with in respect of the Shares, such as, among others, a bank, trust company, securities dealer or broker, director or administrator of RRSPs, RRIFs, RESPs and similar plans; or
- (b) a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

In accordance with NI 54-101 the Company is distributing copies of materials related to the Meeting to Intermediaries for distribution to beneficial Shareholders and such Intermediaries are to forward the materials related to the Meeting to each beneficial Shareholder (unless the beneficial Shareholder has declined to receive such materials). Such Intermediaries often use a service company (such as Broadridge Investor Communication Solutions in Canada (“**Broadridge**”)), to permit the beneficial Shareholder to direct the voting of the Shares held by the Intermediary, on behalf of the beneficial Shareholder. The Company is paying Broadridge to deliver, on behalf of the Intermediaries, a copy of the materials related to the Meeting to each “objecting beneficial owner” and each “non-objecting beneficial owner” (as such terms are defined in NI 54-101).

*If a Beneficial Shareholder Does Not Wish to Attend the Meeting*

Beneficial Shareholders who do not wish to attend the Meeting should carefully follow the instructions on the voting instruction form that they receive from their Intermediary in order to vote the Shares that are held through that Intermediary. Beneficial Shareholders should submit voting instructions to their Intermediaries in sufficient time to ensure that their votes are received from the Intermediaries by the Company.

*If a Beneficial Shareholder Wishes to Attend and Vote at the Meeting*

Since the Company generally does not have access to the names of its beneficial Shareholders, beneficial Shareholders who wish to attend and vote at the Meeting should insert their own name in the blank space provided in the voting instruction form to appoint themselves as proxyholders and then follow their Intermediary’s instructions for returning the voting instruction form.

**Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting.**

**Without a Username (described above), proxyholders will not be able to vote at the Meeting.**

*If a Beneficial Shareholder Wishes to Revoke Voting Instructions*

A beneficial Shareholder may revoke previously given voting instructions by contacting their Intermediary and complying with any applicable requirements imposed by such Intermediary. An Intermediary may not be able to revoke voting instructions if it receives insufficient notice of revocation.

**Voting Shares Registered in the Name of a Corporation**

***Registered Shareholders***

To vote Shares registered in the name of a corporation or other legal entity, an authorized officer or attorney of that corporation or legal entity must sign the enclosed proxy form or submit the proxy via the internet at [www.investorvote.com](http://www.investorvote.com). This person may have to provide proof that they are authorized to sign the proxy form on behalf of the corporation or other legal entity. The completed proxy form must be returned to Computershare in the envelope provided or submitted via the internet at [www.investorvote.com](http://www.investorvote.com) so that it arrives no later than 2:00 p.m. (Toronto time) on May 6, 2022, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed Meeting.

***Beneficial Shareholders***

To vote Shares registered in the name of a corporation or other legal entity, insert the full legal name of the legal entity, the name and position of the person giving voting instructions on behalf of the legal entity and the address for service of the legal entity on the voting instruction form. The completed voting instruction form must be returned to

the beneficial Shareholder’s Intermediary so that it arrives in sufficient time for the Intermediary to act on beneficial Shareholder’s instructions, generally one business day before 2:00 p.m. (Toronto time) on May 6, 2022, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed Meeting.

### RECORD DATE AND QUORUM

The Board has fixed March 30, 2022 as the record date (the “**Record Date**”) for the purpose of determining holders of Shares entitled to receive notice of and to vote at the Meeting. Any holder of Shares of record at the close of business on the Record Date is entitled to vote the Shares registered in such Shareholder’s name at that date on each matter to be acted upon at the Meeting. Accordingly, any Shareholder that has acquired Shares after the Record Date will not be entitled to receive notice of or vote those Shares at the Meeting.

The quorum at the Meeting or any adjournment or postponement thereof (other than at an adjournment or postponement for lack of quorum) is one Shareholder who is, or who represents by proxy, Shareholders who, in the aggregate, hold at least 25% of the issued Shares entitled to be voted at the Meeting.

### VOTING SHARES AND PRINCIPAL SHAREHOLDERS THEREOF

The Company’s authorized share capital consists of (i) an unlimited number of Shares and (ii) an unlimited number of preferred shares, issuable in series. As at the date hereof, there are 70,173,814 Shares outstanding, each carrying the right to one vote per share. Holders of Shares as at the Record Date are entitled to vote such Shares at the Meeting on the basis of one vote for each Share held. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

To the knowledge of the Directors and executive officers of the Company, as at the date of this Circular no person beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the voting rights attached to the outstanding Shares except as stated below.

Name of Shareholder	Shares Beneficially Owned	
	Number of Shares	Percentage of Outstanding Shares
RCPS Equity Cayman LP	15,726,429	22.4%
Roark Capital Partners II AIV AG L.P.	22,199,425	31.6%

### Investor Rights Agreement

The Company entered into an investor rights agreement dated June 30, 2021 (the “**Investor Rights Agreement**”) with Pet Retail Brands LP. Upon liquidation of Pet Retail Brands LP immediately following the closing of the Company’s initial public offering (“**IPO**”) of Shares, PV Holdings S.à r.l., Roark Capital Partners II AIV AG, L.P., RCPS Equity Cayman LP and Roark Capital Partners Parallel II AIV AG, L.P. (collectively, the “**Principal Shareholders**”), acting jointly, assumed Pet Retail Brand LP’s rights under the Investor Rights Agreement.

The Investor Rights Agreement provides that the Principal Shareholders are initially entitled to nominate 5 of the Directors and will continue to be entitled to nominate such number of Directors for so long as they, together with their affiliates, own, control or direct at least 50% or more of our outstanding Shares (on a non-diluted basis), provided that the number will be reduced: (a) to four Directors for so long as the Principal Shareholders, together with

their affiliates, own, control or direct less than 50% but 30% or more of the outstanding Shares (on a non-diluted basis); (b) to three Directors for so long as the Principal Shareholders, together with their affiliates, own, control or direct less than 30% but 20% or more of the outstanding Shares (on a non-diluted basis); (c) to two Directors for so long as the Principal Shareholders, together with their affiliates, own, control or direct less than 20% but 10% or more of the outstanding Shares (on a non-diluted basis); (d) to one Director for so long as the Principal Shareholders, together with their affiliates, own, control or direct less than 10% but 5% or more of the outstanding Shares (on a non-diluted basis); and (e) no Directors once the Principal Shareholders, together with their affiliates, own, control or direct less than 5% of our outstanding Shares (on a non-diluted basis).

For so long as the Principal Shareholders have the right to nominate at least two Directors, the Board shall not be comprised of more than nine Directors unless agreed to by the Principal Shareholders. The Principal Shareholders have agreed to increase the number of Directors on the Board to ten Directors.

As long as the Principal Shareholders have the right to nominate at least four Directors, they shall be entitled to have two director nominees serve on each standing committee and select the chair of each committee, subject to applicable law. As long as the Principal Shareholders have the right to nominate at least three Directors, they shall be entitled to have one director nominee serve as Chair of the Board. As long as the Principal Shareholders have the right to nominate at least two Directors, they shall be entitled to have one director nominee serve on each standing committee, subject to applicable law. As long as the Principal Shareholders have the right to nominate any Director, they will have the right to designate one of their nominees as an observer of each committee of the Board, subject to applicable law.

The Principal Shareholders have elected to nominate: Clayton Harmon, Patrick Hillegass, Kevin Hofmann, Richard Maltsbarger and Steven Townsend to the Board.

## **MATTERS TO BE ACTED UPON AT MEETING**

### **Receipt of Financial Statements**

The audited consolidated financial statements for the fiscal year ended January 1, 2022 (“**Fiscal 2021**”) and the auditor’s report thereon (the “**Annual Financial Statements**”) will be presented at the Meeting, and will be mailed to those registered and beneficial Shareholders, of the Company who requested them. The Annual Financial Statements are available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.petvalu.com](http://www.petvalu.com).

### **Number of Directors**

Shareholders will be asked at the Meeting to approve an ordinary resolution to set the number of Directors elected for the ensuing year at ten (10), subject to such increases as may be permitted by the Articles of the Company and the provisions of the *Business Corporations Act* (British Columbia) (“**BCBCA**”). The Board recommends a vote FOR the approval of the resolution setting the number of Directors for the ensuing year at ten (10). **In the absence of instructions to the contrary, the person(s) designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the resolution setting the number of Directors for the ensuing year at ten (10).**

### **Election of Directors**

At the Meeting, Shareholders will be asked to elect ten (10) Directors to the Board. Under the Articles of the Company (the “**Articles**”), Directors are elected annually, with each Director holding office until the next annual general meeting or until their successor is duly elected or appointed. The nominees for election as Directors to the Board are Anthony Truesdale, Sarah Davis, Linda Drysdale, Clayton Harmon, Patrick Hillegass, Kevin Hofmann, Richard Maltsbarger, Rick Puckett, Steven Townsend and Erin Young. The Board recommends that Shareholders vote FOR the election to the Board of the persons designated by management of the Company. **In the absence of instructions to the contrary, the person(s) designated by management of the Company in the enclosed form of**

**proxy intend to vote FOR the election to the Board of the proposed nominees whose names are set forth above, each of whom has been a Director since the date indicated below, beneath the proposed nominee's name.**

Management does not contemplate that any of the proposed nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, the Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Company in the enclosed form of proxy, in their discretion, in favour of another nominee.

### ***Advance Notice Provisions***


The Company's Articles (the "**Articles**") include certain advance notice provisions with respect to the election of our Directors (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings of our Shareholders; (ii) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. Only persons who are nominated by Shareholders in accordance with the Advance Notice Provisions will be eligible for election as Directors at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of Directors.

Under the Advance Notice Provisions, a Shareholder wishing to nominate a Director is required to provide the Company notice, in the prescribed form, within the prescribed time periods. These time periods include, (a) in the case of an annual meeting of Shareholders (including an annual and special meeting), not less than 30 days prior to the date of the meeting; provided that, if the first public announcement of the date of the annual meeting of Shareholders (the "**Notice Date**") is less than 50 days before the meeting date, not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and (b) in the case of a special meeting of Shareholders (which is not also an annual meeting) called for any purpose which includes electing Directors, not later than the close of business on the 15<sup>th</sup> day following the Notice Date. Provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy-related materials in respect of a meeting described in (a) or (b) above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40<sup>th</sup> day before the applicable meeting.

A copy of the Articles is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### ***Nominees for Election to the Board***

The following tables set forth information with respect to each person proposed to be nominated for election as a Director, including the number of Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as at the date hereof. The information as to Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the respective proposed nominees individually.

<p><b>ANTHONY TRUESDALE</b> Arizona, United States</p> <p>Director (Chair of the Board) since: August 15, 2019</p> 	<p>Anthony Truesdale is the Chair of the Board and has served as a member of the Board since August 2019. Mr. Truesdale is Chairman at Recreational Equipment, Inc. Before retiring, Mr. Truesdale was the Chief Executive Officer of The Vitamin Shoppe, Inc. from 2011 to 2015. He also served as the President and Chief Merchandising Officer of The Vitamin Shoppe, Inc. from 2006 to 2011. Prior to The Vitamin Shoppe, Inc., Mr. Truesdale served as the Senior Vice President of Merchandising at PetSmart Inc., where he worked for over seven years. In addition, Mr. Truesdale was the Senior Manager of Produce for Sainsbury's, the second largest supermarket chain in the United Kingdom, and a Principal at Shaw's Supermarkets in New England from 1981 to 1997. He is a director of Vetcor, a veterinary hospital manager, and Affordable Care Inc., a leading consumer retail healthcare company, both of which are investments of Harvest Partners, LP. Mr. Truesdale earned an undergraduate degree and a graduate degree from Northeastern University.</p>			
	<p><b>Principal Occupation(s) (for the past 5 years)</b></p>			
	<p>Chair of the Board, Recreation Equipment Inc.</p>			
	<p><b>Board/Committee Membership</b></p>	<p><b>Meeting Attendance in 2021</b></p>		
<p>Board (Chair) Governance and Nominating Committee<sup>(1)</sup></p>	<p>12/12 2/2<sup>(1)</sup></p>			
<p><b>Securities of the Company beneficially owned, or controlled or directed, directly or indirectly</b></p>				
<p><b>Shares</b></p>	<p><b>DSUs Vested Only<sup>(2)</sup></b></p>	<p><b>Options Vested Only</b></p>	<p><b>Market Value of Securities Vested Only<sup>(3)</sup> (\$)</b></p>	<p><b>Share Ownership Requirements<sup>(4)</sup></b></p>
<p>91,472</p>	<p>2,501</p>	<p>82,952</p>	<p>5,477,253</p>	<p>Met</p>

**SARAH DAVIS**  
Ontario, Canada

Director since: July 28, 2021



Sarah Davis, FCPA, FCA has served as a member of the Board since July 2021. Ms. Davis was President of Loblaw Companies Limited, from 2017 until May 2021. As President she was responsible for the strategic direction and day-to-day operations of Canada’s largest retailer and the nation’s food and pharmacy leader. Ms. Davis also served as Chief Administrative Officer at Loblaw from 2014 to 2017 and Chief Financial Officer from May 2010 to 2014, during which time she played a crucial role in transforming the company from a regionally managed grocer into an omni-channel food, health and wellness retailer with \$52.7 billion in revenue. Ms. Davis was chair of the Board of PC® Children’s Charity and T&T Supermarkets from 2017 until her retirement in 2021, and served as a member the Board of PC Financial from 2010 until 2021. From 2014 to 2022, she was a member of the Board, and Audit and Compensation Committees of AGF Management Limited and served as Chair of the Compensation Committee from 2016 to 2022. Prior to joining Loblaw, Ms. Davis spent two decades in various financial roles at Rogers Communications and Bell Canada. She is a director of Victoria Secret & Co., and Amdocs Limited, and a director of New Look, a privately owned retailer of eyeglasses. Ms. Davis holds an Honours Bachelor of Commerce degree from Queen’s University, and is a Chartered Accountant and a Fellow of the Chartered Professional Accountants.

**Principal Occupation(s) (for the past 5 years)**

Corporate Director  
President of Loblaw Companies Limited

**Board/Committee Membership**

**Meeting Attendance in 2021**

Board <sup>(5)</sup>	5/5 <sup>(5)</sup>
Audit Committee <sup>(6)</sup>	1/1 <sup>(6)</sup>
Governance and Nominating Committee (Chair) <sup>5</sup>	2/2 <sup>(5)</sup>

**Securities of the Company beneficially owned, or controlled or directed, directly or indirectly**

Shares	DSUs Vested Only <sup>(2)</sup>	Options Vested Only	Market Value of Securities Vested Only <sup>(3)</sup> (\$)	Share Ownership Requirements <sup>(4)</sup>
-	946	-	33,602	In Progress <sup>(7)</sup>

**LINDA DRYSDALE**  
 Ontario, Canada  
 Director since:  
 August 12, 2021



Linda Drysdale, CPA, CA has served as a member of the Board since August 2021. Ms. Drysdale is Chief Financial Officer of Interac Corp., Canada’s leading payment services provider. Prior to taking on this role in 2020, Ms. Drysdale held positions of increasing responsibility with Canadian Tire Corporation, Limited (Retail), BCE Inc., PwC, and Deloitte & Touche, LLP. Ms. Drysdale has over 25 years of extensive knowledge in risk management and audit functions, and a decade of experience reporting to boards of directors and board audit committees as a Chief Financial Officer and senior Internal Audit executive. Previously, she served as National Leader of the Privacy Services Practice at PricewaterhouseCoopers and played a critical role in establishing Deloitte’s Risk Management Services Practice in the United Kingdom. She holds a Bachelor of Arts in Economics from the University of Waterloo and a Graduate Diploma in Accounting from Wilfrid Laurier University.


**Principal Occupation(s) (for the past 5 years)**

Chief Financial Officer of Interac Corp.  
 Vice President, Finance Planning & Analysis, Corporate Groups of Canadian Tire Corporation, Limited

<b>Board/Committee Membership</b>	<b>Meeting Attendance in 2021</b>
Board <sup>(8)</sup>	4/4 <sup>(8)</sup>
Audit Committee (Chair) <sup>8</sup>	1/1 <sup>(8)</sup>

**Securities of the Company beneficially owned, or controlled or directed, directly or indirectly**

<b>Shares</b>	<b>DSUs Vested Only<sup>(2)</sup></b>	<b>Options Vested Only</b>	<b>Market Value of Securities Vested Only<sup>(3)</sup> (\$)</b>	<b>Share Ownership Requirements<sup>(4)</sup></b>
-	885	-	31,435	In Progress <sup>(9)</sup>

<p><b>CLAYTON HARMON</b> Georgia, United States Director since: January 18, 2021</p> 	<p>Clayton Harmon has served as a member of the Board since January 2021. Mr. Harmon is Managing Director, Roark Capital Management, LLC and joined Roark in 2007. He is actively involved in Roark's investments in Inspire Brands, Mathnasium, Nothing Bundt Cakes, and Batteries Plus Bulbs. Prior to joining Roark, Mr. Harmon was a Senior Associate in the transaction advisory services group at Ernst &amp; Young. Prior to that, Mr. Harmon worked in the audit and risk advisory services group at KPMG. Mr. Harmon earned a Master of Accountancy and a Bachelor of Business Administration from the Terry College of Business at the University of Georgia.</p>			
	<p><b>Principal Occupation(s) (for the past 5 years)</b></p>			
	<p>Managing Director, Roark Capital Management, LLC</p>			
	<p><b>Board/Committee Membership</b></p>	<p><b>Meeting Attendance in 2021</b></p>		
<p>Board Compensation Committee<sup>(10)</sup> Governance and Nominating Committee</p>	<p>12/12 4/5 3/3</p>			
<p><b>Securities of the Company beneficially owned, or controlled or directed, directly or indirectly</b></p>				
<p><b>Shares</b></p>	<p><b>DSUs Vested Only<sup>(2)</sup></b></p>	<p><b>Options Vested Only</b></p>	<p><b>Market Value of Securities Vested Only<sup>(3)</sup> (\$)</b></p>	<p><b>Share Ownership Requirements<sup>(4)</sup></b></p>
<p>-</p>	<p>-</p>	<p>-</p>	<p>-</p>	<p>Exempt<sup>(11)</sup></p>

**PATRICK HILLEGASS**  
 Georgia, United States  
 Director since:  
 February 28, 2019



Patrick Hillegass has served as a member of the Board since February 2019. Mr. Hillegass is Principal, Roark Capital Management, LLC and joined Roark in 2011. Mr. Hillegass has worked with Roark in increasingly senior roles since 2011. Through his role with Roark, Mr. Hillegass serves on the Board of Directors of Pet Supermarket, a specialty retailer of pet food and pet-related supplies based in Ft. Lauderdale, Florida, and the parent company of Divisions Maintenance Group, a Cincinnati-based provider of facilities services to multi-unit clients, including many leading retailers in the U.S. He has also overseen Roark’s investments in Wingstop, Massage Envy and Miller’s Ale House. In his time with Roark, and in addition to the roles above, he has had extensive experience reviewing and analyzing the financial statements, audits and accounting records of many multi-unit restaurant and retail investment opportunities. Mr. Hillegass graduated from the University of Virginia in 2007 with a bachelor’s degree in economics and systems engineering.

**Principal Occupation(s) (for the past 5 years)**

Principal, Roark Capital Management, LLC

**Board/Committee Membership**

**Meeting Attendance in 2021**

Board	11/12
Compensation Committee <sup>(10)</sup>	5/5
Audit Committee	5/5

**Securities of the Company beneficially owned, or controlled or directed, directly or indirectly**

Shares	DSUs Vested Only <sup>(2)</sup>	Options Vested Only	Market Value of Securities Vested Only <sup>(3)</sup> (\$)	Share Ownership Requirements <sup>(4)</sup>
-	-	-	-	Exempt <sup>(11)</sup>

**KEVIN HOFMANN**  
Georgia, United States

Director since:  
November 15, 2019



Kevin Hofmann has served as a member of the Board since November 2019. Mr. Hofmann is Managing Director, Roark Capital Management, LLC and joined Roark in April 2019. He serves on the board of directors of, and is actively involved in, Roark’s investment in OrangeTheory, PartsTown, and Fitness Connection. Prior to joining Roark, Mr. Hofmann spent 13 years with The Home Depot, Inc., most recently as President of Online and Chief Marketing Officer, where he oversaw the strategy, sales and operations of the company’s digital efforts. Concurrent with this role, he also served as the Chief Marketing Officer of The Home Depot, Inc., overseeing the strategic branding, marketing and advertising direction of the company. Previously, Mr. Hofmann led The Home Depot, Inc.’s Home Services businesses, the largest home services business in the United States. Mr. Hofmann joined The Home Depot, Inc. in 2006 as a company officer, where he led technology teams focused on merchandising, stores, e-commerce, supply chain and the company’s international divisions. Prior to joining The Home Depot, Inc., Mr. Hofmann spent 10 years with General Electric Company, where he held Chief Information Officer and Chief Technology Officer roles in a number of the company’s businesses (Healthcare, Renewables, Energy and GE Global Research). Mr. Hofmann started his career and spent eight years with The Dow Chemical Company, working primarily in plastics research and development and in technology. Mr. Hofmann earned a Bachelor of Sciences degree in Computer Science from Central Michigan University.

**Principal Occupation(s) (for the past 5 years)**

Managing Director, Roark Capital Management, LLC  
President of Online and Chief Marketing Officer, The Home Depot, Inc.

**Board/Committee Membership**


**Meeting Attendance in 2021**

Board

12/12

**Securities of the Company beneficially owned, or controlled or directed, directly or indirectly**

Shares	DSUs Vested Only <sup>(2)</sup>	Options Vested Only	Market Value of Securities Vested Only <sup>(3)</sup> (\$)	Share Ownership Requirements <sup>(4)</sup>
-	-	-	-	Exempt <sup>(11)</sup>

<p><b>RICHARD MALTSBARGER</b> North Carolina, United States President, Chief Executive Officer &amp; Secretary. Director since: November 15, 2018</p> 	<p>Richard Maltzbarger is a member of the Board and President, Chief Executive Officer and Secretary of the Company. Prior to joining Pet Valu in November 2018, Mr. Maltzbarger held multiple positions with Lowe’s Companies Inc. from 2004 to 2018, most recently serving as Chief Operating Officer for United States Operations and previously serving as President of International overseeing operations in Canada and Mexico, and as Chief Development Officer in which he had executive management oversight of strategy, mergers &amp; acquisitions, enterprise and consumer analytics and innovation. Mr. Maltzbarger currently serves as Audit &amp; Risk Committee Chair on the National Board of Trustees for the National 4-H Council and as an advisor to the University of Missouri System through the Missouri 100. Mr. Maltzbarger earned a Bachelor of Science and a Master of Science in Agricultural Economics from the University of Missouri and a Master of Business Administration from the Olin School of Business at Washington University in St. Louis, Missouri.</p>			
<p><b>Principal Occupation(s) (for the past 5 years)</b></p>				
<p>President and Chief Executive Officer of Pet Valu Chief Operating Officer, United States Operations, Lowe’s Companies Inc. President of International, Lowe’s Companies Inc.</p>				
<p><b>Board/Committee Membership</b></p>	<p><b>Meeting Attendance in 2021</b></p>			
<p>Board</p>	<p>12/12</p>			
<p><b>Securities of the Company beneficially owned, or controlled or directed, directly or indirectly</b></p>				
<p><b>Shares</b></p>	<p><b>DSUs Vested Only<sup>(2)</sup></b></p>	<p><b>Options Vested Only</b></p>	<p><b>Market Value of Securities Vested Only<sup>(3)</sup> (\$)</b></p>	<p><b>Share Ownership Requirements<sup>(4)</sup></b></p>
<p>-</p>	<p>-</p>	<p>835,230</p>	<p>21,540,582</p>	<p>Met <sup>(12)</sup></p>

**RICK PUCKETT**  
 Florida, United States  
 Director since:  
 August 15, 2019



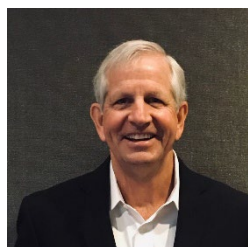
Rick Puckett has served as a member of the Board since August 2019. Mr. Puckett serves as a director and as chairman of the audit committee for Driven Brands Holdings, Inc., SPX Corporation and Whitehorse Finance, Inc., positions he has held since May 2017, May 2015 and December 2012, respectively. Mr. Puckett also served on the Board of Directors of Late July Brands, a privately held company from 2007 through 2010. From December 2006 to December 2016, Mr. Puckett was the Executive Vice President, Chief Financial Officer and Chief Administrative Officer of Snyder's-Lance, Inc. Prior to Snyder's-Lance, Mr. Puckett was Executive Vice President, Chief Financial Officer and Treasurer of United Natural Foods, Inc. Mr. Puckett is a Certified Public Accountant, and he received a bachelor's degree in accounting and an M.B.A. from the University of Kentucky. Mr. Puckett's experience in leadership roles at his past companies, significant knowledge and understanding of corporate finance and financial reporting and his expert background as a Certified Public Accountant provides him with the qualifications and skills to serve as a director.

<b>Principal Occupation(s) (for the past 5 years)</b>	
Corporate Director	
<b>Board/Committee Membership</b>	<b>Meeting Attendance in 2021</b>
Board	12/12
Audit Committee <sup>(13)</sup>	4/5

**Securities of the Company beneficially owned, or controlled or directed, directly or indirectly**

<b>Shares</b>	<b>DSUs Vested Only<sup>(2)</sup></b>	<b>Options Vested Only</b>	<b>Market Value of Securities Vested Only<sup>(3)</sup> (\$)</b>	<b>Share Ownership Requirements<sup>(4)</sup></b>
36,589	2501	20,739	1,923,336	Met

**STEVEN TOWNSEND**  
 Florida, United States  
 Director since: June  
 10, 2016



Steven Townsend has served as a member of the Board since June 2016. Mr. Townsend is a Partner of Townsend Associates, and has over 31 years of senior management, financial, operational, information systems and human resources experience. He has served as a member of the Board of Directors of Massage Envy Franchising LLC since 2012, and as Chair of its Audit Committee since 2016. Mr. Townsend previously held various roles at United Natural Foods, Inc., the largest publicly traded wholesale distributor of natural foods, as President from 2001 to 2005 and Chairman and Chief Executive Officer from 2003 to 2005. Prior to that, Mr. Townsend served as Chief Financial Officer and Chief Operating Officer of United Natural Foods, Inc. having joined the company in 1981 as Controller. Mr. Townsend previously held management positions at Harris Corporation and Tupperware Corporation and served on the Board of Directors of Global Energy Holdings Group Inc., Savings Institute Bank and Trust Co., Si Bancorp Mhc., SI Financial Group, Inc., Sprouts Farmers Market, Inc., SunOpta, Inc., Vault USA, LLC and Velocity Snack Brands. Mr. Townsend earned a Masters of Business Administration in Management and Information Systems and a Bachelor of Science in Accounting, Summa Cum Laude from Bryant College. He has been designated an audit committee financial expert as defined in the rules of the United States Securities Exchange Commission.

**Principal Occupation(s) (for the past 5 years)**

Partner, Townsend Associates

**Board/Committee Membership**

**Meeting Attendance in 2021**

Board	11/12
Compensation Committee (Chair)	7/7
Audit Committee	5/5

**Securities of the Company beneficially owned, or controlled or directed, directly or indirectly**

Shares	DSUs Vested Only <sup>(2)</sup>	Options Vested Only	Market Value of Securities Vested Only <sup>(3)</sup> (\$)	Share Ownership Requirements <sup>(4)</sup>
50,537	2,501	49,048	3,365,422	Met

<p><b>ERIN YOUNG</b> Ontario, Canada Director since: May 3, 2021</p> 	<p>Erin Young has served as a member of the Board since May 2021. Ms. Young is the Chief Marketing and Merchandising Officer of McKesson Canada, a position she has held since September 2020. From October 2019 to September 2020, Ms. Young served as President of Well.ca. From October 2013 to September 2019, she held the position of Chief Marketing and Merchandising Officer with Well.ca. Prior to joining Well.ca, Ms. Young held multiple positions with McKinsey &amp; Company from 2005 to 2013. Prior to that, Ms. Young was the Senior Manager Strategy and Innovation at Loblaw Companies. Ms. Young earned a Bachelor of Commerce from Queen’s University.</p>			
	<p><b>Principal Occupation(s) (for the past 5 years)</b></p>			
	<p>Chief Marketing and Merchandising Officer, McKesson Canada President, Well.ca Chief Marketing Officer, Well.ca</p>			
	<p><b>Board/Committee Membership</b></p>		<p><b>Meeting Attendance in 2021</b></p>	
	<p>Board<sup>(14)</sup> Governance and Nominating Committee<sup>13</sup></p>		<p>9/9<sup>(14)</sup> 3/3<sup>(14)</sup></p>	
<p><b>Securities of the Company beneficially owned, or controlled or directed, directly or indirectly</b></p>				
<p><b>Shares</b></p>	<p><b>DSUs Vested Only<sup>(2)</sup></b></p>	<p><b>Options Vested Only</b></p>	<p><b>Market Value of Securities Vested Only<sup>(3)</sup> (\$)</b></p>	<p><b>Share Ownership Requirements<sup>(4)</sup></b></p>
<p>-</p>	<p>2,501</p>	<p>-</p>	<p>88,836</p>	<p>In Progress<sup>(15)</sup></p>

Notes

- Mr. Truesdale was Chair and a member of the Governance and Nominating Committee until October 26, 2021.
- The number of vested DSUs that each Director holds, which includes DSU dividend equivalents, has been rounded down to the nearest whole number. DSUs and DSU dividend equivalents are credited to the Director’s account at the time of issuance and vest in accordance with the terms of the Director’s respective DSU award agreement. Vested DSUs and DSU dividend equivalents are settled in cash in accordance with the terms of the DSU Plan after the Director’s death, disability, resignation or retirement from the Board. For more information see “Director Compensation – Deferred Share Unit Plan”.
- Common shares and vested DSUs are valued based on the volume-weighted average trading price of a Share on the TSX for the five trading days preceding the measurement date (5-day VWAP), on December 31, 2021 (\$35.52). Vested options are valued as the difference between the Company’s 5-day VWAP on December 31, 2021 (\$35.53) and the exercise price.
- The value of Shares and/or DSUs required to meet the Director equity ownership requirements is determined using the volume-weighted average trading price of a Share on the Toronto Stock Exchange for the five trading days preceding the measurement date. The Director equity ownership requirement amount is three times the Company’s annual cash retainer fee for serving as a Director or on a Board committee or for chairing the Board or a Board committee. For more information see “Director Compensation – Equity Ownership Policy” beginning on page 55.
- Ms. Davis was appointed to the Board and the Governance and Nominating Committee on July 28, 2021, and to Chair of the Governance and Nominating Committee on October 26, 2021.
- Ms. Davis was appointed to the Audit Committee on October 26, 2021.
- Ms. Davis’ equity ownership requirement achievement date is July 28, 2026.
- Ms. Drysdale was appointed to the Board and the Audit Committee on August 12, 2021, and to Chair of the Audit Committee on November 9, 2021.
- Ms. Drysdale’s equity ownership requirement achievement date is August 12, 2026.
- Mr. Harmon and Mr. Hillegass were appointed to the Compensation Committee on June 29, 2021.
- Mr. Harmon, Mr. Hillegass and Mr. Hofmann are affiliated with Roark Capital Management LLC (“**Roark**”) which, directly or indirectly, manages the Principal Shareholders, and do not receive compensation in consideration for serving on the Board and are therefore exempt from the equity ownership requirements of the Director Equity Ownership Policy.
- Mr. Maltsbarger is subject to the equity ownership requirements applicable to executives of Pet Valu set out in the Company’s Equity Ownership Policy. Employees who are promoted or appointed into a position that is subject to these

requirements have five years from becoming subject to the Equity Ownership Policy to meet the minimum requirement. As President and CEO, Mr. Maltsbarger's equity ownership requirement is five times his annual base salary, to be achieved by June 30, 2026. For more information on Pet Valu's equity ownership requirement applicable to executives, see "Executive Compensation – Risk and Executive Compensation – Equity Ownership Policy" beginning on page 37.

13. Mr. Puckett was Chair of the Audit Committee from December 11, 2019 to November 9, 2021.
14. Ms. Young was appointed to the Board of Directors and the Governance and Nominating Committee on May 3, 2021.
15. Ms. Young's equity ownership achievement date is May 3, 2026.

### ***Cease Trade Order, Bankruptcy, Penalties and Sanctions***

Other than as set out below, none of the Directors or executive officers of the Company, and to the best of the Company's knowledge, no Shareholder holding a sufficient number of securities to affect materially the control of the Company is, as at the date of this Circular, or has been within the 10 years before the date of this Circular: (a) a Director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the Directors or executive officer was acting in the capacity as Director, chief executive officer or chief financial officer; (b) was subject to an order that was issued after the Director or executive officer ceased to be a Director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as Director, chief executive officer or chief financial officer; or (c) a Director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Mr. Truesdale served as the chairman of the board of directors of Guitar Center, Inc. from September 2016 to December 2020. Guitar Center Inc. filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code on November 21, 2020.

#### *Penalties or Sanctions*

None of the Directors or executive officers of the Company, and to the best of its knowledge, no Shareholder holding a sufficient number of securities to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

### **Appointment of the Auditor**

Ernst & Young LLP is the current auditor of the Company. At the Meeting, Shareholders will be asked to re-appoint Ernst & Young LLP as auditor of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix the auditor's remuneration.

The audit committee of the Board (the "**Audit Committee**") has recommended to the Board, and the Board has approved, the nomination of Ernst & Young LLP for such appointment.

The Board recommends that Shareholders vote FOR the appointment of Ernst & Young LLP as auditor of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed, and the authorization of the Board to fix the remuneration of the auditor. **In the absence of a contrary instruction, the person(s) designated by management of the Company in the enclosed form of proxy intend to vote FOR the appointment of Ernst & Young LLP as auditor of the Company to hold office until the next annual meeting of**

## **Shareholders or until a successor is appointed, and the authorization of the Board to fix the remuneration of the auditor.**

### **Say-on-Pay Advisory Resolution**

The Board determined in 2022 to provide Shareholders with an annual non-binding advisory vote on executive compensation (commonly referred to as “Say-on-Pay”). The purpose of the “Say-on-Pay” advisory vote is to give Shareholders a formal opportunity to provide their views on the disclosed objectives of the executive compensation plans, and on the plans themselves.

The Company’s compensation practices are designed to retain, motivate and reward its executive officers for their performance and contribution to the Company’s short and long-term success. The Board seeks to compensate executive officers by combining short-term and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives, and to align executive officers’ incentives with the Company’s performance. The Company’s philosophy is to pay fair, reasonable and competitive compensation with a significant equity-based component to align the long-term interests of the Company’s executive officers with those of its Shareholders.

The compensation of the Company’s executive officers includes three major elements: (i) base salary; (ii) short-term incentives, consisting of annual bonuses; and (iii) long-term equity incentives, which may consist of option, restricted stock unit (“**RSU**”), and/or performance share unit (“**PSU**”) awards under the Company’s long-term incentive plan (“**LTIP**”), as applicable. Except as summarized below under “Summary Compensation Table”, perquisites and personal benefits are not a significant element of compensation of the Company’s executive officers. For a detailed discussion of the Company’s executive compensation program, please see “*Executive Compensation*”.

At the Meeting Shareholders will be asked to vote on a non-binding advisory “Say-on-Pay”, by passing the following resolution:

#### **“RESOLVED THAT:**

1. On an advisory basis, and not to diminish the role and responsibilities of the board of directors of Pet Valu Holdings Ltd. (the “**Company**”), the holders (the “**Shareholders**”) of the common shares in the capital of the Company accept the approach to executive compensation disclosed in the Management Information Circular of the Company dated March 28, 2022, delivered in advance of the Company’s Annual General Meeting of the Shareholders of the Company.”

As this is an advisory vote, the results will not be binding upon the Board. However, the Board will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions in determining whether there is a need to significantly increase their engagement with Shareholders on compensation and related matters. The Company will disclose the results of the Shareholder “Say-on-Pay” advisory vote as a part of its report on voting results for the Meeting.

The Board recommends that Shareholders vote FOR the approach to executive compensation as described in the Circular. **In the absence of a contrary instruction, the person(s) designated by management of the Company in the enclosed form of proxy intend to vote FOR the approach to executive compensation as described in the Circular.**

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as disclosed elsewhere in this Circular, none of the Directors or executive officers of the Company, nominees for election as Directors, nor persons who have been Directors or executive officers of the Company since the commencement of the Company's last financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of Directors.



## **From the Chair of the Compensation Committee**

Dear Shareholders,

The Compensation Committee (the “Committee”) is pleased to provide you with an overview of Pet Valu’s performance in 2021 and a summary of our approach to determining the compensation for our executives. The Committee is responsible for overseeing Pet Valu’s executive compensation program and ensuring it is designed to support the Company’s mission to be Canada’s preferred retailer of pet food and pet-related supplies. To accomplish this mission, the Company has adopted a strategy to expand our store network, drive same-store sales growth, and enhance operating margins while continuing to operate with a focus on Safety, Compassion, Expertise and Efficiency. The Committee recognizes that to execute this strategy and achieve long-term growth, we need an executive team that is both highly-talented and motivated to meet or exceed our short- and long-term financial and operational objectives. During 2021, as Pet Valu transitioned to a public company, we adopted a new pay program for our senior management team to allow us to continue to retain and motivate our talented executives going forward into 2022. In this inaugural proxy circular, we have provided an overview of how our executive compensation programs have been designed to achieve these objectives.

### **Our senior management team**

To achieve the Company’s long-term goals, the Committee has designed a pay program to attract and retain highly-qualified and experienced executives, and align their interests with those of our Shareholders and other stakeholders. The Committee recognizes that providing market competitive pay is critical to maintaining a strong executive team, and that rewarding the team for significant financial and operational achievements will ensure they are aligned with our long-term goals and Shareholder interests.

### **Pay for performance**

For more than 45 years, Pet Valu, including its Pet Valu, Bosleys by Pet Valu, Total Pet, Tisol, Paulmac’s Pets and Chico<sup>[1]</sup> banners, has worked to become Canada’s preferred pet retailer, and the Company’s senior management team has been instrumental in supporting this process. To continue to incentivize our executives to successfully expand our presence in stores and online, the Committee has implemented a compensation program that aligns pay with performance, as demonstrated by our 2021 performance results and related pay decisions.

### **2021 performance results.**

Under its various banners, during 2021, Pet Valu operated over 600 locations across Canada that offered more than 7,000 products, including our premium, super premium, holistic and award-winning proprietary brands. In 2021, Pet Valu stores and our online offerings contributed to the Company’s strong financial results, including the following:

- System-wide sales <sup>[2]</sup> growth of 18.6% to \$998.1 million in 2021 from \$841.9 million in 2020;
- Same-store sales<sup>[2]</sup> growth of 17.8% in 2021;
- Revenue growth of 19.7% to \$776.0 million in 2021 from \$648.5 million in 2020;
- Adjusted EBITDA<sup>[3]</sup> growth of 26.2% to \$182.3 million in 2021, from \$144.4 million in 2020;
- Net Income growth of 245% to \$98.8 million in 2021 from \$28.6 million in 2020.

In addition to these positive financial results, the senior management team continued to protect our employees, franchise owners and customers throughout the second year of the COVID-19 pandemic and the ongoing adjustments to operating restrictions across Canada. Despite these challenges, we achieved several significant operational milestones and strategic initiatives, including:

- Successfully completed our IPO;
- Declared an initial dividend for our Shareholders;
- Opened 30 new stores and renovated, relocated or expanded 23 stores;
- Enhanced digital experiences through upgrades to our website and order-management platform;
- Updated and rolled out employee pet care expert training to further elevate customer service and experience;
- Launched a new national brand campaign ‘Love Lives Here™’ to highlight the power of love provided by pets;
- Launched a month-long ‘Companions for Change™’ event to help pets in need;
- Achieved several milestones in the Company’s omni-channel strategy, including national rollout of direct-to-home delivery and click-and-collect offerings.

**2021 pay decisions.** The Committee considered the 2021 financial results and operational achievements in making 2021 pay decisions, including determining awards under our short- and long-term incentive plans.

- **Short-term incentive plan.** Our strong performance throughout 2021 resulted in exceeding the maximum target 200% of our Adjusted EBITDA target, 159% of our system-wide sales target, and all of our critical strategic initiatives. Our successfully completed strategic initiatives included growing our store network, renovating, expanding or relocating a number of sites, rolling-out key omni-channel technology and capabilities, investing in employee training, and preparing to operate as a public company. Given the strategic and financial performance in 2021, the Committee approved the Company’s 2021 incentive program award to the executive team at 190% of target payout.
- **Long-term incentive plan (“LTIP”).** The Company uses equity-based awards granted under our LTIP to motivate and retain key executives while rewarding them for their contributions to Pet Valu. In 2021, the Committee granted stock options to our executive team at the time the Company became public, as their annual long-term incentive compensation to further emphasize a longer-term goal horizon as a newly public company.

**2022 plan changes.** To transition our pay programs to align with the market as a public company, the Committee redesigned our executive pay program for 2022, including establishing target short- and long-term award levels for each executive team member based on applicable benchmarks and increasing the emphasis on performance-based long-term equity awards.

- **Short-term incentive plan.** Beginning in 2022, the short-term incentive plan will include a combination of sales, operating income and strategic initiative targets to provide focus on both top line growth and operational efficiencies.
- **LTIP.** Beginning in 2022, LTIP awards will increase the emphasis on performance-based incentives, with target awards comprised of 50% PSUs, 25% RSUs, and 25% stock options. To further align our executives’ interests with those of Shareholders, the PSU performance measures will include relative total shareholder return (“TSR”) and operating income before share-based compensation expense.

## **What's next?**

As Pet Valu embarks on a new path as a public company, the Committee will continue to ensure the executive compensation program encourages our executives to focus on the Company's long-term success and aligns their interests with those of Shareholders. On behalf of the Committee, I thank you for your continued support.

Sincerely,

*"Steven Townsend"*

Chair of the Compensation Committee

<sup>[1]</sup> Acquired on February 25, 2022.

<sup>[2]</sup> This is a supplementary financial measure. Refer to "How We Assess the Performance of Our Business" in the Company's Management's Discussion and Analysis for the fiscal year ended January 1, 2022 ("MD&A"), incorporated by reference herein, for further information on supplementary financial measures, including their definitions.

<sup>[3]</sup> This is a Non-IFRS financial measure. Non-IFRS financial measures are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Refer to "Selected Consolidated Financial Information and Industry Metrics" in the Company's MD&A, incorporated by reference herein, for a reconciliation to net income, an IFRS measure.

## EXECUTIVE COMPENSATION

### Introduction

The following discussion describes the significant elements of the compensation program for the Named Executive Officers (“**NEOs**”) of the Company. The NEOs for Fiscal 2021 are:

Named Executive Officer	Position
Richard Maltsbarger	<i>President &amp; Chief Executive Officer (“<b>CEO</b>”)</i>
James Grady	<i>Chief Financial Officer (“<b>CFO</b>”)</i>
Christine Schultz	<i>Chief Information Officer</i>
Kendalee MacKay	<i>Chief Merchandising Officer</i>
Tanbir Grover	<i>Chief Marketing &amp; Digital Officer</i>

### Compensation Discussion and Analysis

#### Overview

Pet Valu operates in a dynamic and rapidly evolving market. To succeed in this environment and achieve its business and financial objectives, the Company needs to attract, retain and motivate a highly talented executive team. The Company expects its team to possess and demonstrate strong leadership and management capabilities, as well as foster the culture of the Company, which is at the foundation of its success and remains a pivotal part of its everyday operations.

The Company designs its executive officer compensation program to achieve the following objectives:

- attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to its success;
- motivate its executive team to achieve or exceed its business and financial objectives;
- align the interests of its executive officers with those of its Shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of its business; and
- provide incentives that encourage appropriate levels of risk-taking by its executive team and provide a strong pay-for-performance relationship.

The Company will continue to evaluate its philosophy and compensation program as circumstances require and will review compensation on an annual basis. As part of this review process, the Company will be guided by the philosophy and objectives outlined above, as well as other factors which may become relevant.

## 2021 Financial and Operational Performance Highlights

In 2021, Pet Valu achieved strong growth in key financial metrics, when compared to 2020, including the following:

- System-wide sales<sup>1</sup> grew by 18.6% to \$998.1 million in 2021 from \$841.9 million in 2020;
- Same-store sales growth of 17.8% in 2021;
- Revenue increased by 19.7% to \$776.0 million in 2021 from \$648.5 million in 2020;
- Operating Income<sup>2</sup> increased to 129.4 million in 2021 from \$102.7 million in 2020;
- Gross margin increased by 37.0% from 35.6% in 2020;
- Adjusted EBITDA<sup>3,4</sup> increased 26.2% to \$182.3 million in 2021, from \$144.4 million in 2020;
- Adjusted Net Income per Diluted Share<sup>5</sup> increased to \$1.02 in 2021 from \$0.64 in 2020.

The Company also delivered strong operational performance in 2021, including the following:

- Opened 30 new stores, which expanded our store network to over 630 locations by year-end;
- Renovated, expanded or relocated 23 stores;
- Achieved several milestones in the Company's omni-channel strategy, including national rollout of our direct-to-home delivery and click-and-collect offerings, upgrades to our Point-of-Sale ("POS") and in-store order management technology and improvements to our website infrastructure and user experience;
- Rolled out updated "Expert" animal care curriculum to over 75% of store and office employees.

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<sup>1</sup> System-wide sales reflects the aggregation of retail sales at corporate-owned stores, e-commerce sales, plus the franchise retail sales occurring at franchised stores to their customers. This measure allows management to assess changes in the Company's overall system performance, the

health of its brand and the strength of its market position relative to its competitors. System-wide sales are driven by the number of system-wide stores open in any period and their respective growth. For clarity, franchise retail sales are not included in the total revenue figure.

<sup>2</sup> Operating Income is defined as gross profit less selling, general and administrative expenses.

<sup>3</sup> Adjusted EBITDA is a non-IFRS measure. Adjusted EBITDA is defined as net income (loss) before interest expense (net), income tax expense (recovery) and depreciation and amortization adjusted for the impact of certain expenses, costs or benefits incurred which in management's view are not indicative of the underlying business performance, including management fees, information technology transformation costs (representing discrete, project-based implementation costs associated with new technology systems and discrete software as a service arrangements costs for transformational initiatives), IPO readiness and separation costs, business transformation costs, COVID-19 pandemic costs, other professional fees (incurred with respect to the examination of tax filings for the 2016 fiscal year), share-based compensation expense, asset impairments, gain (loss) on foreign exchange and pro forma costs to normalize on-going expenses previously allocated to entities forming part of the Group (as defined below), specifically operations in the United States, which are no longer affiliated with the Company. The Company believes Adjusted EBITDA is a useful measure of operating performance as it provides a more relevant picture of operating results by facilitating a comparison of our performance on a consistent basis from period-to-period and provides a more complete understanding of factors and trends affecting our business. Refer to "– Selected Consolidated Financial Information and Industry Metrics" in the Company's Management's Discussion and Analysis for the year ended January 1, 2022, incorporated by reference herein, for a reconciliation of Adjusted EBITDA to net income, an IFRS measure.

<sup>4</sup> For the periods prior to the closing of the Company's initial public offering on June 30, 2021, the Company was not operating as a stand-alone entity and as a result, the Company's financial information for periods prior to June 30, 2021 are presented on a carve-out basis that includes only legal entities representing the Canadian operations of Pet Valu Holdings Ltd. (referred to as the "Group", prior to the distribution of its U.S. operations to its shareholder).

<sup>5</sup> Adjusted Net Income per Diluted Share is a non-IFRS measure. Adjusted Net Income per Diluted Share is defined as Adjusted Net Income divided by the total weighted average number of outstanding diluted Shares at the end of the most recently completed quarter for the relevant period. The Company believes Adjusted Net Income per Diluted Share is a useful measure to assess the performance of the Company. Refer to "– Selected Consolidated Financial Information and Industry Metrics" in the Company's Management's Discussion and Analysis for the year ended January 1, 2022, incorporated by reference herein, for a reconciliation of Adjusted Net Income to net income, an IFRS measure.

## ***2021 Pay for Performance***

The Compensation Committee considered the 2021 financial results and operational achievements in making 2021 pay decisions, including determining awards under the annual and long-term incentive plans. As detailed under “Short-Term Incentive Compensation”, annual incentive awards for NEOs paid out at 190% of target based on achieving the maximum (200%) of Adjusted EBITDA target, 159% of the system-wide sales target, and the critical strategic initiatives.

## ***Compensation Objectives and Philosophy***

The Company’s compensation practices are designed to retain, motivate and reward its executive officers for their performance and contribution to the Company’s short and long-term success. The Board seeks to compensate executive officers by combining short-term and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives, and to align executive officers’ incentives with the Company’s performance. The Company’s philosophy is to pay fair, reasonable and competitive compensation with a significant equity-based component to align the long-term interests of the Company’s executive officers with those of its Shareholders.

## ***Compensation-setting Process***

The compensation committee of the Board (the “**Compensation Committee**”) is responsible for assisting the Board in fulfilling its governance and supervisory responsibilities, and overseeing the Company’s human resources and compensation policies, processes and practices. The Compensation Committee is also responsible for ensuring that the Company’s compensation policies and practices provide an appropriate balance of risk and reward consistent with its risk profile.

The Board has adopted a written mandate for the Compensation Committee, which sets out its responsibilities for administering the Company’s compensation programs and reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to the Company’s executive officers. The Compensation Committee’s oversight includes reviewing objectives, evaluating the performance of the Company’s executive officers other than the CEO, and ensuring that total compensation paid to the Company’s executive officers, personnel who report directly to the Company’s CEO and various other key officers and managers is fair, reasonable and consistent with the objectives and philosophy of the Company’s compensation program. See also “Corporate Governance – Committees of the Board – Compensation Committee”.

The CEO makes recommendations to the Compensation Committee each year with respect to the compensation of the other NEOs.

## Pay Policies and Practices

The Company employs the following best pay practices that reflect the Company’s compensation philosophy:

What We Do	What We Don’t Do
✓ Link a significant amount of executive pay to Company performance through our annual and long-term incentive plans	× Provide single-trigger change-in-control provisions
✓ Balance among short- and long-term incentives, cash and equity and fixed and variable pay	× Allow hedging by executives or Directors of equity holdings
✓ Compare executive compensation and Company performance to relevant peer group companies	× Reprice stock options
✓ Require executives to meet minimum share ownership requirements	× Grant in-the-money stock options with an exercise price below the fair market value on the grant date
✓ Maintain an executive clawback policy	× Employ pay policies or practices that pose material adverse risks to the Company
✓ Provide only limited perquisites	× Use an aspirational peer group of significantly larger companies to set executive pay levels
✓ Provide Shareholders an annual say-on-pay advisory vote on executive pay	× Guarantee a minimum level of vesting for long-term incentives
✓ Maintain overlapping performance periods for long-term incentives	× Overemphasize any single performance metric

## Market Positioning and Benchmarking

As part of the executive compensation review and design process, the Compensation Committee established a Canadian peer group and a U.S. peer group (together, the “**Comparator Groups**”) to benchmark compensation for Canadian-based executives and U.S.-based executives, respectively.

The selection criteria used to determine the composition of the Comparator Groups are the following:

- Companies competing in the same talent market;
- Companies operating in a similar industry; and
- Companies of similar size, measured by revenue and market capitalization, targeting approximately 1/3x to 3x the Company’s revenue and market capitalization at the time of developing the Comparator Groups.

The companies forming the Comparator Groups meet all or some of the foregoing criteria and are listed below:

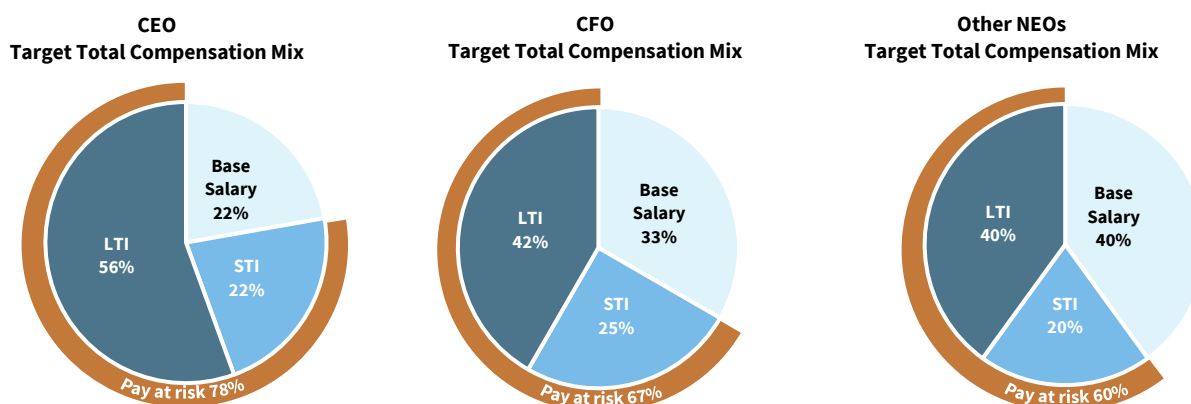
Comparator Groups	
Canadian	US
Aritzia Inc.	American’s Car-Mart Inc.
Jamieson Wellness Inc.	At Home Group Inc.
Lassonde Industries Inc.	Boot Barn Holdings, Inc.
Leon’s Furniture Limited	Franchise Group, Inc.
Maple Leaf Foods Inc.	Hibbett Sports, Inc.
Sleep Country Canada Holdings Inc.	La-Z-Boy Incorporated
Spin Master Corp.	MarineMax, Inc.
SunOpta Inc.	The Aaron’s Company, Inc.
The North West Company Inc.	The Buckle, Inc.
Village Farms International, Inc.	The Container Store Group, Inc.

These Comparator Groups, potentially supplemented by other sources of competitive pay information, such as region or role specific survey data, are an important input in establishing compensation levels and structure for Fiscal 2021 and beyond. The Committee considers this data as input but does not explicitly target a specific relative positioning. The Committee, in accordance with its compensation philosophy, will periodically assess whether compensation is competitive in making compensation-related decisions.

**Pay Mix**

2021. Executive pay includes a mix of fixed compensation (base salary and benefits) and variable pay (short- and long-term incentives) that is based on meeting a combination of short- and long-term goals. A significant portion of executive pay is “at risk” or based on meeting performance goals to align executive pay with the long-term goals of the Company. The Compensation Committee did not target a specific pay mix in 2021 for the NEOs.

2022. Beginning in 2022, the Company is targeting a specific pay mix as demonstrated in the following charts, which illustrate the 2022 target pay mix for the CEO, CFO and all other NEOs. The pay mix reflected in the charts below includes long-term incentive pay as a percentage of base salary approved by the Board for 2022.



### Compensation Consultant

In March 2021, the Compensation Committee retained Hugessen Consulting (“**Hugessen**”), an independent consulting firm, to provide services to the Compensation Committee in connection with executive officer and Director compensation matters, including, among other things, the following:

- Establishing a peer comparator group of public companies with similar attributes to the Company for the purpose of benchmarking its compensation policies and plans;
- Designing a new equity-based, long-term incentive compensation framework for the Company’s executive officers and Directors;
- Setting a compensation program for executives in Fiscal 2021; and
- Designing a compensation structure for non-employee Directors (“**Non-Employee Directors**”).

All work performed by Hugessen is at the direction of, and must be pre-approved by, the Compensation Committee, including occasional work performed on behalf of the Compensation Committee in conjunction with management. As of December 31, 2021, the Compensation Committee had incurred \$278,727 in fees for services rendered by Hugessen in Fiscal 2021. The provision of any service by Hugessen to the Company in addition to any executive and Director compensation-related services requires the pre-approval of the Compensation Committee.

Hugessen, based on its experience and expertise, has confirmed to the Compensation Committee that, to the best of its knowledge, the Compensation Committee has undertaken appropriate analysis to properly inform itself of relevant information to assist in its decisions. The decisions taken by the Compensation Committee remain its responsibility and may reflect factors and considerations in addition to the information and recommendations provided by Hugessen. Fees paid to Hugessen in 2021 are provided in the table below, which fees include services performed by Hugessen in connection with the IPO.

Hugessen	2020 fees*	2021 fees
Executive and Director compensation-related fees	N/A	\$278,727 <sup>1</sup>
All other fees	N/A	\$ -

#### Notes

1. As of June 23, 2021, \$159,530 in fees had been incurred for services rendered by Hugessen in connection with the IPO.

In October 2021, management retained Mercer (Canada) Ltd. (“**Mercer**”), to provide advice in connection with executive compensation disclosure and communication for Fiscal 2021, including, among other things, assisting management in developing an employee communications plan for the Company’s LTIP and in drafting the Company’s compensation discussion and analysis.

**Principal Elements of Compensation**

The compensation of the Company’s executive officers includes three major elements: (i) base salary; (ii) short-term incentives, consisting of annual bonuses; and (iii) long-term equity incentives, which may consist of option, RSU, and/or PSU awards under the LTIP, as applicable. Except as summarized below under “Summary Compensation Table”, perquisites and personal benefits are not a significant element of compensation of the Company’s executive officers.

Compensation Element	Objective	Key Features for 2021
<b>Base salary</b>	Provide a fixed level of cash compensation for performing day-to-day responsibilities	Targeted at the median of the peer group with adjustments for individual performance
<b>Short-term incentive plan</b>	Reward short-term financial, operational and individual performance	Cash payments based on meeting Adjusted EBITDA, System-wide Sales and Critical Initiatives targets
<b>Long-term incentive plan</b>	Align management interests with those of Shareholders, encourage retention and reward long-term company performance	Performance-vesting stock options (based on meeting Adjusted EBITDA targets) and service-based stock options <sup>1</sup>

Notes

- 1. Only stock options were granted in Fiscal 2021.

**Base Salaries**

Base salaries are provided as a fixed source of compensation for the Company’s executive officers. Base salaries for executive officers are established based on the scope of their responsibilities, competencies and their relevant experience, taking into account compensation in the market for similar positions and the market demand for the executive. An executive officer’s base salary is determined considering the executive officer’s total compensation package and the Company’s overall compensation philosophy. Adjustments to base salaries are determined periodically and increases, if any, may be based on factors such as the executive officer’s success in meeting or exceeding individual objectives and an assessment of the competitiveness of the compensation. Base salaries can also be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive officer’s role or responsibilities, and to maintain market competitiveness.

The following table provides a summary of the annual base salaries of the NEOs as at the end of Fiscal 2021.

Executive	Position	2021 Salary
Richard Maltsbarger <sup>1</sup>	<i>President &amp; Chief Executive Officer</i>	\$728,985
James Grady <sup>1</sup>	<i>Chief Financial Officer</i>	\$548,640
Christine Schultz <sup>1</sup>	<i>Chief Information Officer</i>	\$464,015
Kendalee MacKay <sup>2</sup>	<i>Chief Merchandising Officer</i>	\$440,860
Tanbir Grover	<i>Chief Marketing &amp; Digital Officer</i>	\$375,000

Notes

1. Base salary for Mr. Maltsbarger, Mr. Grady, and Ms. Schultz is paid in U.S. dollars and has been converted to Canadian dollars based on the Bank of Canada daily exchange rate on December 31, 2021 of US\$1.00 = C\$1.2678.
2. Base salary for Ms. MacKay was paid in U.S. dollars up to June 30, 2021. Starting July 1, 2021, Ms. MacKay was paid in Canadian dollars.

### **Short-Term Incentive Compensation**

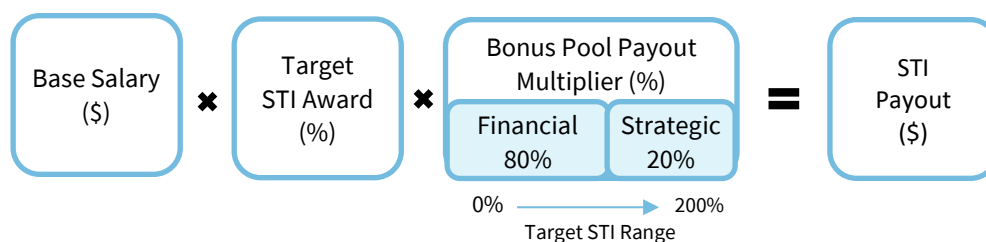
#### *Short-Term Incentive Design*

The Company's NEOs and other executive officers are eligible to receive short-term incentive ("**STI**") in the form of annual bonuses set as a percentage of base salary. Annual bonus plans are designed to motivate the Company's executive officers to meet the Company's business and financial objectives generally and the Company's annual financial performance targets in particular. The Compensation Committee is responsible for approving the plan design and determines the awards made by the Company at the end of each fiscal year, subject to approval by the Board of Directors.

For Fiscal 2021, annual bonuses were earned and measured with reference to two main performance measures:

- Financial performance components, consisting of annual Adjusted EBITDA and system-wide sales, as described above, compared to a target annual level of Adjusted EBITDA and system-wide sales for the comparable annual period. Adjusted EBITDA performance is weighted 60% of the total bonus, and system-wide sales are weighted 20% of the total bonus; and
- Strategic performance component, consisting of pre-determined list of critical initiatives, weighted at 20% of the total bonus.

Depending on actual performance relative to targets, payouts for the financial performance components can range from zero (<97% of target) to 200% (≥115% of target). Payouts for the strategic performance component are based on the weighted average of payouts for the two aspects of the financial performance components. Annual bonuses are determined using the formula set out below:



### 2021 STI Payout

STI Award Opportunity as a Percentage of Base Salary and 2021 Actual Awards					
Executive	Payout at Threshold	Target	Maximum	Target (\$)	2021 Actual (\$)
Richard Maltzbarger <sup>1</sup>	50%	100%	200%	\$720,705	\$1,367,898
James Grady <sup>1,2</sup>	37.5%	75%	150%	\$339,006	\$643,433
Christine Schultz <sup>1</sup>	25%	50%	100%	\$229,372	\$435,348
Kendalee MacKay	25%	50%	100%	\$214,684	\$407,470
Tanbir Grover	25%	50%	100%	\$187,500	\$355,875

#### Notes

- Bonus for Mr. Maltzbarger, Mr. Grady, and Ms. Schultz is paid in U.S. dollars and has been converted to Canadian dollars based on the Bank of Canada average exchange rate for Fiscal 2021 of US\$1.00 = C\$1.2534.
- For Fiscal 2021, annual target bonus for Mr. Grady is 50% of annual base salary from January 3, 2021 to June 30, 2021 and 75% of annual base salary from July 1, 2021 to January 1, 2022.

### Financial Component Results

Actual financial results for the financial component of the STI for 2021 and payout percentages were:

- \$182.3 million for Adjusted EBITDA, compared to a target of \$152.4 million;
- \$998.1 million for system-wide sales, compared to a target of \$900.0 million.

This performance resulted in a weighted average of 152% for the financial components of the STI.

### Strategic Component Results

All critical initiatives included within the strategic component were either achieved or exceeded in 2021, so a payout of 190% was awarded (equal to the weighted average payout for the financial components). The critical initiatives included in the strategic component of measures for the 2021 STI and performance against them were as follows:

Strategic Component		
Critical initiative	Performance	Result
Grow store network and renovate/expand/relocate pre-determined number of sites	<ul style="list-style-type: none"> <li>Opened 30 new stores, which expanded our store network to 633 locations by year-end</li> <li>Renovated, expanded or relocated 23 stores</li> </ul>	Achieved
Roll-out key omni-channel technology and capabilities (e.g., click-and-collect, Point of Sale systems rollout (“POS”))	<p>Achieved several milestones in the Company’s omni-channel strategy, including:</p> <ul style="list-style-type: none"> <li>National rollout of our direct-to-home delivery and click-and-collect offering</li> <li>Upgrades to our POS and in-store order management technology</li> <li>Improvements to our website infrastructure and user experience</li> </ul>	Achieved
Invest in employee training to elevate animal care expertise and service	<ul style="list-style-type: none"> <li>Rolled out updated “Expert” animal care curriculum to store and office employees</li> </ul>	Achieved
Develop appropriate practices, controls and standards to achieve IPO readiness	Developed and implemented controls and procedures and adopted policies consistent with our status as a newly-public company	Achieved

Based on the 2021 financial results and performance against our critical initiatives included within the strategic component, NEO STI awards were 190% of target, as shown in the table below.

2021 Short-term Incentive Award							
Performance measure	Weighting	Threshold	Target	Maximum	Actual	Achievement	Weighted Score %
Adjusted EBITDA (\$M)	60%	\$147.8	\$152.4	\$175.3	\$182.3	200%	120%
System-wide sales (\$M)	20%	\$873.0	\$900.0	\$1,035.0	\$998.1	159%	32%
<b>Financial Component</b>	<b>80%</b>					<b>190%</b>	<b>152%</b>
<b>Strategic Component</b>	<b>20%</b>		<i>Critical Initiatives</i> <sup>1</sup>		100%	190%	<b>38%</b>
<b>Total 2021 STI Score</b>							<b>190%</b>

Notes

- See discussion under “– Strategic Component Results” for performance against the critical initiatives included in the strategic component of measures for the 2021 STI.

2022 STI Design

In March 2022, the Board approved a change in performance measures for the 2022 STI awards to replace Adjusted EBITDA with Operating Income before share-based compensation expense, and continued the component for System-wide Sales, however subject to a qualifier based on certain thresholds for new store openings and ongoing real estate pipeline management.

## Long-Term Incentive Compensation

Equity-based awards are a variable element of compensation that allows the Company to incentivize and retain the Company's executive officers for their sustained contributions to the Company. Equity awards reward performance and continued employment by an executive officer, with associated benefits to the Company of attracting and retaining employees. The Company believes that equity-based awards provide executive officers with a strong link to long-term corporate performance and the creation of shareholder value. The Company's LTIP lays out the Company's equity compensation practices and the structure of long-term incentive compensation both in terms of quantum and instrument mix. The Compensation Committee is authorized to grant stock options, stock appreciation rights ("**SARs**"), Tandem SARs, RSUs, PSUs and restricted stock under the LTIP. Only stock options were granted in Fiscal 2021. Previous grants are not taken into account when considering new grants as grants are made annually, based on target pay-at-risk.

### 2021 Stock Options

The Company's share option plan originally dated June 14, 2016 (formerly referred to as the "Legacy Option Plan") was amended as of June 29, 2021, in connection with the IPO (the "**Amended and Restated Share Option Plan**"). In connection with the IPO, options to acquire Class X common shares became options to acquire Shares on a one-to-0.928 basis at a post-consolidated exercise price converted to Canadian dollars such that the in-the-money value of such options to the holder remain unchanged. Outstanding options continue to vest in accordance with their terms and are governed by the provisions of the Amended and Restated Share Option Plan, but no further awards may be granted under this Plan.

In Fiscal 2021, the Company granted stock options to the NEOs under the Amended and Restated Share Option Plan and the LTIP.

On January 27, 2021, the Company granted stock options to NEOs under the Amended and Restated Share Option Plan, as set forth in the table below.

Executive	Position	Service and Performance based Options <sup>(1)</sup>	Grant Value
Kendalee MacKay	Chief Merchandising Officer	139,205	\$688,331
Tanbir Grover	Chief Marketing & Digital Officer	139,205	\$688,331

#### Notes

1. The Company awarded options to Ms. MacKay and Mr. Grover as recently hired NEOs to align total compensation with executive programs.

On June 30, 2021, the NEOs were granted options under the LTIP to align executive and Shareholder objectives at IPO. The awards vest one-third on June 30, 2023 (the second anniversary of the grant date), and two-thirds on June 30, 2024 (the third anniversary of the grant date) rounded to the nearest full option, based on continued employment. The options expire June 30, 2031, 10 years from the grant date with an exercise price of \$20.00, as determined by the Board of Directors. The exercise price for each Share subject to an option is fixed by the Board and may not be less than 100% of the Market Price (as defined in the LTIP) on the date of grant. The exercise of options is subject to vesting conditions, including specific time schedules for vesting and performance-based conditions, as noted below.

The Company granted stock options to each of the NEOs under the LTIP on June 30, 2021, as set forth in the table below.

Executive	Position	Service-based Options	Grant Value
Richard Maltsbarger	<i>President &amp; Chief Executive Officer</i>	68,370	\$460,000
James Grady	<i>Chief Financial Officer</i>	52,020	\$350,000
Christine Schultz	<i>Chief Information Officer</i>	22,300	\$150,000
Kendalee MacKay	<i>Chief Merchandising Officer</i>	22,300	\$150,000
Tanbir Grover	<i>Chief Marketing &amp; Digital Officer</i>	22,300	\$150,000

#### 2021 Shared Based Awards

The Company issued stock bonuses to the NEOs on June 30, 2021, as set forth in the table below.

Executive	Position	Shares	Value
James Grady	<i>Chief Financial Officer</i>	30,717	\$614,350
Christine Schultz	<i>Chief Information Officer</i>	30,717	\$614,350

#### Notes

- Pursuant to June 29, 2021 stock bonus agreements, the Company awarded shares to each of Mr. Grady and Ms. Schultz at the closing of the IPO based on prior service and commitment to the Company and achievement of critical business initiatives. The award amount is \$500,000 in U.S. dollars, converted at 1.2287 based on the Bank of Canada June 23, 2021 exchange rate and shares awarded based on the IPO offering price of \$20 per Share.

#### 2022 LTIP Design

In Fiscal 2021, the Compensation Committee established target awards for 2022 and future LTIP awards for each NEO measured with reference to applicable benchmarks and performance objectives, as set forth in the table below.

Executive	Position	Target (as a % of salary)	Target
Richard Maltsbarger	<i>President &amp; Chief Executive Officer</i>	250%	\$1,822,463
James Grady	<i>Chief Financial Officer</i>	125%	\$685,801
Christine Schultz	<i>Chief Information Officer</i>	100%	\$458,744
Kendalee MacKay	<i>Chief Merchandising Officer</i>	100%	\$440,860
Tanbir Grover	<i>Chief Marketing &amp; Digital Officer</i>	100%	\$375,000

#### Notes

- LTIP for Mr. Maltsbarger, Mr. Grady, and Ms. Schultz would be paid in U.S. dollars and has been converted to Canadian dollars based on the Bank of Canada average exchange rate for Fiscal Year 2021 of US\$1.00 = C\$1.2534.

The 2022 LTIP awards for the CEO, CFO and NEOs will be comprised of PSUs, representing 50% of the target award, and RSUs and stock options, each representing 25% of the target awards. The PSU objective measures will be based on TSR and Operating Income before share-based compensation expense, where TSR is measured against a blend of market indices: S&P/TSX Completion Index, S&P/TSX Capped Consumer Discretionary Index and S&P/TSX Capped Consumer Staples Index.

## Benefit Plans

The Company provides its executive officers, including the NEOs, with life, disability, health and dental insurance programs on the same basis as other employees as well as paid time off. The Company offers these benefits consistent with local market practice.

## Perquisites

The Company generally does not offer significant perquisites as part of its compensation program, except as summarized below under “Summary Compensation Table”. Perquisites for NEOs in 2021 included the following: for Mr. Maltsbarger a monthly Canadian apartment allowance in the aggregate annual amount of \$29,735 and disability insurance premiums in the amount of \$11,862. A tax gross-up in the amount of \$406,606 and \$498,435 for James Grady and Christine Schultz, respectively, in respect to a stock bonus based on prior service and commitment to the Company and achievement of critical business initiatives.

## Risk and Executive Compensation

In reviewing the Company’s compensation policies and practices each year, the Compensation Committee seeks to ensure the executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of the Company. The Compensation Committee also seeks to ensure the Company’s compensation practices do not encourage excessive risk-taking behaviour by the executive team.

### Equity Ownership Policy

The Board adopted an equity ownership policy with effect as of June 30, 2021 (the “**Equity Ownership Policy**”). The Company strongly supports share ownership by its NEOs and, accordingly, has introduced minimum share ownership guidelines. NEOs can meet share ownership requirements through direct or beneficial ownership of the Company’s securities, including vested options and RSUs granted under the LTIP. Employees who are promoted or appointed into a position that is subject to these requirements have five years as of the effective date of the Equity Ownership Policy to meet the minimum requirement. The ownership requirements as a multiple of annual base salary are set forth in the table below:

Executive	Multiple of base salary
<b>Richard Maltsbarger</b> , <i>President &amp; Chief Executive Officer</i>	5x
<b>James Grady</b> , <i>Chief Financial Officer</i>	4x
<b>Christine Schultz</b> , <i>Chief Information Officer</i>	3x
<b>Kendalee MacKay</b> , <i>Chief Merchandising Officer</i>	3x
<b>Tanbir Grover</b> , <i>Chief Marketing &amp; Digital Officer</i>	3x

All of the Company’s NEOs have either met their ownership requirements or have time remaining to do so.

### Trading Restrictions

All of the Company's executive officers, including the NEOs, Directors and employees are subject to its insider trading policy (the "**Insider Trading Policy**"), which prohibits trading in the Company's securities while in possession of material undisclosed information about the Company. Under the Insider Trading Policy, these individuals are also prohibited from entering into certain types of hedging transactions involving the securities of the Company, such as short sales, puts and calls. Furthermore, the Company permits its executive officers, including the NEOs, to trade in the Company's securities, including the exercise of options, only during prescribed trading windows.

### Clawback Policy

The Board has adopted a clawback policy (the "**Clawback Policy**") relating to any bonus, equity-based or other incentive-based compensation awarded or granted to the Company's executive officers, including the NEOs (each, a "**Specified Officer**"), as an additional approach to mitigate compensation risk. The Clawback Policy provides that the independent Directors of the Board will determine the extent of reimbursement of such compensation received by a Specified Officer required in the event of a restatement of the Company's financial statements included in the Company's public disclosure documents or due to the Specified Officer having engaged in prohibited conduct.

### Burn Rate

The annual burn rate for each equity-based compensation arrangement for Fiscal 2021, expressed as a percentage and calculated by dividing the number of awards granted during Fiscal 2021 by the weighted average number of Shares outstanding for Fiscal 2021, is set forth in the following table:

Burn Rate	Fiscal 2021
Grants under the Amended and Restated Share Option Plan	431,535
Grants under the LTIP	276,490
Total Share Options granted under all equity-based compensation plans	708,025
Total Number of Share Options granted / Basic weighted average number of Shares outstanding at year end	1.01

## Summary Compensation Table

The following table provides a summary of the Fiscal 2021 compensation earned by or awarded to the NEOs. This information is provided as of January 1, 2022, the end of the Company's most recently completed fiscal year. As the Company became a reporting issuer during Fiscal 2021, compensation information for prior financial years is not presented.

Name and Principal Position	Year	Salary	Share-based Awards <sup>(2)</sup>	Option-based Awards <sup>(3)</sup>	Non-Equity Incentive Plan Compensation		Pension Value <sup>(6)</sup>	All Other Compensation <sup>(7)</sup>	Total Compensation
					Annual Incentive Plans <sup>(5)</sup>	Long-Term Incentive Plans			
Richard Maltsbarger <sup>(1)</sup> <i>President and Chief Executive Officer</i>	2021	\$720,705	-	\$460,000	\$1,367,898	-	-	\$47,713	\$2,596,316
James Grady <sup>(1)</sup> <i>Chief Financial Officer</i>	2021	\$542,409	\$614,350	\$350,000	\$643,433	-	-	\$414,760 <sup>(8)</sup>	\$2,564,952
Christine Schultz <sup>(1)</sup> <i>Chief Information Officer</i>	2021	\$458,744	\$614,350	\$150,000	\$435,348	-	-	\$505,231 <sup>(8)</sup>	\$2,163,673
Kendalee MacKay <i>Chief Merchandising Officer</i>	2021	\$429,335	-	\$838,331 <sup>(4)</sup>	\$407,470	-	-	\$16,850	\$1,691,986
Tanbir Grover <i>Chief Marketing &amp; Digital Officer</i>	2021	\$375,000	-	\$838,331 <sup>(4)</sup>	\$355,875	-	-	\$12,700	\$1,581,906

### Notes

1. Compensation for Mr. Maltsbarger, Mr. Grady, and Ms. Schultz is paid in U.S. dollars but has been converted to Canadian dollars based on the Bank of Canada average exchange rate for Fiscal 2021 of US\$1.00 = C\$1.2534. Ms. MacKay's compensation was paid in U.S. dollars up to July 3, 2021, after which Ms. MacKay's compensation was paid in Canadian dollars.
2. Amounts shown reflect the 30,717 Shares awarded at the closing of the IPO to each of Mr. Grady and Ms. Schultz based on prior service and commitment to the Company and achievement of critical business initiatives. The award amount is \$500,000 in U.S. dollars, converted at 1.2287 based on Bank of Canada June 23, 2021 exchange rate and Shares awarded based on the IPO offering price of \$20 per share.
3. Reflects the grant date fair value of stock options granted in Fiscal 2021 under the LTIP. Options granted have been valued using the Black-Scholes model, using methodology consistent with those for valuing the expense for accounting purposes, but subject to different assumptions. Valuation is based on the maximum term of 10 years versus the average expected holding period of 6 and 6.5 years based on the vesting period used for accounting purposes. For accounting and compensation fair value purposes, it is assumed that there is no forfeiture of options due to termination of employment. Awards are made with the assumption that the NEOs will remain employed during the vesting period.
4. Amounts for Ms. MacKay and Mr. Grover also reflect the grant date fair value of stock options granted under the Amended and Restated Share Option Plan in Fiscal 2021. Options granted have been valued using the Black-Scholes model, using methodology consistent with those for valuing the expense for accounting purposes, but subject to different assumptions. Valuation is based on the maximum term of 10 years versus the average expected holding period of 5.5 to 7.5 years used for accounting purposes. For accounting and compensation fair value purposes, it is assumed there are no forfeiture of options due to termination of employment. Awards are made with the assumption that the NEOs will remain employed during the vesting period.
5. Amounts shown reflect bonus earned for each NEO for Fiscal 2021. See "– Principal Elements of Compensation – Short-Term Incentive Compensation". For Fiscal 2021, annual target bonus for James Grady is 50% of annual base salary from January 3, 2021 to June 30, 2021 and 75% of annual base salary from July 1, 2021 to January 1, 2022.
6. The Company does not currently offer a deferred compensation plan or pension plan.
7. The amount for Mr. Maltsbarger includes a monthly Canadian apartment allowance in the aggregate annual amount of \$29,735 and disability insurance premiums in the amount of \$11,862. Amounts for all NEOs include Company contributions to retirement savings plans.
8. Amounts shown include a gross-up for the stock bonus paid to each of Mr. Grady and Ms. Schultz in the amount of \$406,606 and \$498,435, respectively, in Fiscal 2021 based on prior service and commitment to the Company and achievement of critical business initiatives.

## Outstanding Option-Based Awards

The following table sets out information concerning the option-based awards granted to the NEOs outstanding at the end of Fiscal 2021. See “– Equity Incentive Plans – Long Term Incentive Plan” and “– Equity Incentive Plans – Amended and Restated Share Option Plan”.

Option Based Awards				
Name and Principal Position	Number of Shares underlying unexercised options (#)	Option exercise price	Option expiration date <sup>1</sup>	Value of unexercised in-the-money options <sup>2</sup>
Richard Maltsbarger <i>President and Chief Executive Officer</i>	1,392,049	\$9.73	November 15, 2028	\$37,765,277
	68,370	\$20.00	June 30, 2031	
James Grady <i>Chief Financial Officer</i>	162,406	\$9.73	April 19, 2027	\$5,113,735
	52,020	\$20.00	June 30, 2031	
Christine Schultz <i>Chief Information Officer</i>	139,205	\$9.73	February 9, 2027	\$4,025,021
	22,300	\$20.00	June 30, 2031	
Kendalee MacKay <i>Chief Merchandising Officer</i>	139,205	\$9.73	January 27, 2031	\$4,025,021
	22,300	\$20.00	June 30, 2031	
Tanbir Grover <i>Chief Marketing &amp; Digital Officer</i>	139,205	\$9.73	January 27, 2031	\$4,025,021
	22,300	\$20.00	June 30, 2031	

### Notes

- All outstanding options have a 10-year term.
- Amounts shown reflect the aggregate dollar value of in-the-money vested and unvested unexercised options for all NEOs using the December 31, 2021 closing Share price on the TSX of \$36.07.

## Employment Agreements, Termination and Change of Control Benefits

The Company has written employment agreements with each of the Company’s NEOs and each executive is entitled to receive compensation established by the Company, as well as other benefits in accordance with plans available to the most senior employees.

### *Richard Maltsbarger, President and Chief Executive Officer and Director*

Richard Maltsbarger has an amended and restated employment agreement with PRB Management Services, Inc. (a subsidiary of the Company), which changed its name to PV Management Services Inc. in November 2021. The employment agreement provides that Mr. Maltsbarger will be employed as President and CEO of the Company.

Mr. Maltsbarger’s amended and restated employment agreement provides for, among other things, a base salary, eligibility to participate in employee benefit plans and policies, an annual performance bonus (based on the achievement of specific annual performance criteria established by the Board), a monthly Canadian

apartment allowance and monthly Canadian vehicle allowance, and reimbursement for disability insurance.

The amended and restated employment agreement with Mr. Maltsbarger specifies that certain amounts are payable to Mr. Maltsbarger in the event his employment with the Company is terminated, or he resigns.

In the event Mr. Maltsbarger's employment is terminated without cause or he resigns for good reason and he signs a general release, Mr. Maltsbarger will continue to receive his base salary for a period of 18 months, plus one month for each completed year of employment beyond the first anniversary of his date of hire, to a maximum of 24 months, in lieu of any other severance benefits under employee benefits plans, programs or policies. In addition, Mr. Maltsbarger is to be entitled to receive a lump sum of USD\$35,000 following delivery of the general release, plus his target annual performance bonus for the year of termination, pro rata for days worked during the year prior to his termination date.

A change of control of the Company, in and of itself, does not entitle Mr. Maltsbarger to severance payments.

If Mr. Maltsbarger's employment is terminated for cause or he resigns other than for good reason, Mr. Maltsbarger is entitled to receive only his base salary earned through his last day of employment and any earned and payable annual bonus for the previous year or other accrued obligations, such as business expenses.

Mr. Maltsbarger's amended and restated employment agreement also contains typical trade secret, confidentiality and non-disparagement covenants which are in effect during his employment and will remain in force following termination of his employment as well as non-competition and non-solicitation covenants which are in effect during the period of his employment and for 12 months and 24 months thereafter, respectively.

*James Grady, Chief Financial Officer*

James Grady has an amended and restated employment agreement with PRB Management Services, Inc. (a subsidiary of the Company), which changed its name to PV Management Services Inc. in November 2021. The employment agreement provides that Mr. Grady will be employed as CFO of the Company.

Mr. Grady's amended and restated employment agreement provides for, among other things, a base salary, eligibility to participate in employee benefit plans and policies and an annual performance bonus (based on the achievement of specific annual performance criteria established by the Board).

The amended and restated employment agreement with Mr. Grady specifies that certain amounts are payable to Mr. Grady in the event his employment with the Company is terminated, or he resigns.

In the event Mr. Grady's employment is terminated without cause or he resigns for good reason and he signs a general release, Mr. Grady will continue to receive his base salary for a period of 12 months, plus one month for each completed year of employment beyond the first anniversary of his date of hire, to a maximum of 18 months, in lieu of any other severance benefits under employee benefits plans, programs or policies. In addition, Mr. Grady is to be entitled to receive his target annual performance bonus for the year of termination, pro rata for days worked during the year prior to his termination date.

A change of control of the Company, in and of itself, does not entitle Mr. Grady to severance payments.

If Mr. Grady's amended and restated employment is terminated for cause or he resigns, Mr. Grady is entitled to receive only his base salary earned through his last day of employment and any earned and

payable annual bonus for the previous year or other accrued obligations, such as business expenses.

Mr. Grady's amended and restated employment agreement also contains typical trade secret, confidentiality and non-disparagement covenants which are in effect during his employment and will remain in force following termination of his employment as well as non-competition and non-solicitation covenants which are in effect during the period of his employment and for 12 months and 24 months thereafter, respectively.

*Christine Schultz, Chief Information Officer*

Christine Schultz has an amended and restated employment agreement with PRB Management Services, Inc. (a subsidiary of the Company), which changed its name to PV Management Services Inc. in November 2021. The employment agreement provides that Ms. Schultz will be employed as Chief Information Officer of the Company.

Ms. Schultz's amended and restated employment agreement provides for, among other things, a base salary, eligibility to participate in employee benefit plans and policies and an annual performance bonus (based on the achievement of specific annual performance criteria established by the Board).

The amended and restated employment agreement with Ms. Schultz specifies that certain amounts are payable to Ms. Schultz in the event her employment with the Company is terminated, or she resigns.

In the event Ms. Schultz's employment is terminated without cause or she resigns for good reason and she signs a general release, Ms. Schultz will continue to receive her base salary for a period of 12 months, plus one month for each completed year of employment beyond the first anniversary of her date of hire, to a maximum of 18 months, in lieu of any other severance benefits under employee benefits plans, programs or policies. In addition, Ms. Schultz is entitled to receive her target annual performance bonus for the year of termination, pro rata for days worked during the year prior to her termination date.

A change of control of the Company, in and of itself, does not entitle Ms. Schultz to severance payments.

If Ms. Schultz's employment is terminated for cause or she resigns, Ms. Schultz is to be entitled to receive only her base salary earned through her last day of employment and any earned and payable annual bonus for the previous year or other accrued obligations, such as business expenses.

Ms. Schultz's amended and restated employment agreement also contains typical trade secret, confidentiality and non-disparagement covenants which are in effect during her employment and will remain in force following termination of her employment as well as non-competition and non-solicitation covenants which are in effect during the period of her employment and for 12 months thereafter.

*Kendalee MacKay, Chief Merchandising Officer*

Kendalee MacKay has an amended and restated employment agreement with Pet Valu Canada Inc. ("PVC"). The employment agreement provides that Ms. MacKay will be employed as Chief Merchandising Officer of the Company.

Ms. MacKay's amended and restated employment agreement provides for, among other things, a base salary, eligibility to participate in employee benefit plans and policies and an annual performance bonus (based on the achievement of specific annual performance criteria established by the Board).

The amended and restated employment agreement with Ms. MacKay specifies that certain amounts are payable to Ms. MacKay in the event her employment with the Company is terminated, or she resigns.

In the event Ms. MacKay's employment is terminated without cause or she resigns for good reason, and she signs a general release, Ms. MacKay will continue to receive her base salary and benefits for a period of 12 months, plus one month for each completed year of employment beyond the first anniversary of her date of hire, to a maximum of 18 months. In addition, Ms. MacKay is entitled to receive her target annual performance bonus for the year of termination, pro rata for days worked during the year prior to her termination date, and accrued wages or vacation pay as required by applicable employment standards legislation.

Ms. MacKay's amended and restated agreement also provides that she will continue to participate in certain of the Company's benefit programs until the earlier of (i) the date that she secures benefits through alternative employment and (ii) the expiry of the remaining severance payments period.

A change of control of the Company, in and of itself, does not entitle Ms. MacKay to severance payments.

If Ms. MacKay's employment is terminated for cause or she resigns other than for good reason, Ms. MacKay is entitled to receive only her base salary earned through her last day of employment and any earned and payable annual bonus for the previous year, and any other accrued wages and vacation pay as required by applicable employment standards legislation.

Ms. MacKay's amended and restated employment agreement also contains typical trade secret, confidentiality and non-disparagement covenants which are in effect during her employment and will remain in force following termination of her employment as well as non-competition and non-solicitation covenants which are in effect during the period of her employment and for 12 months thereafter.

*Tanbir Grover, Chief Marketing & Digital Officer*

Tanbir Grover has an amended and restated employment agreement with PPCI. The employment agreement provides that Mr. Grover will be employed as Chief Marketing & Digital Officer of the Company.

Mr. Grover's amended and restated employment agreement provides for, among other things, a base salary, eligibility to participate in employee benefit plans and policies and an annual performance bonus (based on the achievement of specific annual performance criteria established by the Board).

The amended and restated employment agreement with Mr. Grover specifies that certain amounts are payable to Mr. Grover in the event his employment with the Company is terminated or he resigns.

In the event Mr. Grover's employment is terminated without cause or he resigns for good reason and he signs a general release, Mr. Grover will continue to receive his base salary and benefits for a period of 12 months, plus one month for each completed year of employment beyond the first anniversary of his date of hire, to a maximum of 18 months. In addition, Mr. Grover is entitled to receive his target annual performance bonus for the year of termination, pro rata for days worked during the year prior to his termination date, and accrued wages and vacation pay as required by applicable employment standards legislation.

Mr. Grover's amended and restated agreement also provides that he will continue to participate in certain of the Company's benefit programs until the earlier of (i) the date that he secures benefits through alternative employment and (ii) the expiry of the remaining severance payments period.

A change of control of the Company, in and of itself, does not entitle Mr. Grover to severance payments.

If Mr. Grover’s employment is terminated for cause or he resigns, Mr. Grover is entitled to receive only his base salary earned through his last day of employment and any earned and payable annual bonus for the previous year, and any other any other accrued wages and vacation pay as required by applicable employment standards legislation.

Mr. Grover’s amended and restated employment agreement also contains typical trade secret, confidentiality and non-disparagement covenants which are in effect during his employment and will remain in force following termination of his employment as well as non-competition and non-solicitation covenants which are in effect during the period of his employment and for 12 months thereafter.

**Termination Benefits**

Each NEO is a party to an amended and restated employment agreement with the Company which provides for certain entitlements under various post-employment scenarios.

The table below shows the payments that the Company would make to a NEO when employment is terminated.

Reason for Termination of Employment	Termination Payment	Options
Termination by the Company Without Cause	Termination Payment	<p><u>LTIP Options:</u> Vested options must be exercised within the earlier of the expiration date of the options (“<b>Expiration Date</b>”) or 60 days after the effective date of termination (“<b>Termination Date</b>”). Unvested options are forfeited immediately.</p> <p><u>Amended and Restated Share Option Plan Options:</u> Vested options must be exercised within 30 days after the Termination Date. Unvested options are forfeited immediately.</p>
Executive Resigns for Good Reason	Termination Payment	<p><u>LTIP Options:</u> Vested options must be exercised within the earlier of the Expiration Date or 60 days after the Termination Date.</p> <p><u>Amended and Restated Share Option Plan Options:</u> Vested options must be exercised prior to resignation. Unvested options are forfeited immediately.</p>
Termination by the Company With Cause	None	Options expire and are forfeited in full immediately.

Executive resigns Other Than for Good Reason	None	<p><u>LTIP Options:</u> Vested options must be exercised within the earlier of the Expiration Date or 60 days after the Termination Date</p> <p><u>Amended and Restated Share Option Plan Options:</u> Vested options must be exercised prior to resignation. Unvested options are forfeited immediately.</p>
Death or Disability	None	<p><u>LTIP Options:</u> Unvested options granted prior to the year of death or Termination Date as a result of disability (“<b>Disability Date</b>”) continue to vest and may be exercised during the 12-month period following death or Disability Date. Vested options as of death or Disability Date are exercisable during the 12-month period following death or Disability Date.</p> <p><u>Amended and Restated Share Option Plan Options:</u> Vested options must be exercised within 90 days after the Death or Disability. Unvested options are forfeited immediately.</p>
<p>Change in Control<sup>1</sup> With:</p> <ul style="list-style-type: none"> <li>• Termination by the Company Without Cause</li> <li>• Executive Resigns for Good Reason on or Following Change in Control</li> </ul>	Termination Payment	<p><u>LTIP Options:</u> Vested options<sup>1</sup> must be exercised within the earlier of the Expiration Date or 60 days after the Termination Date. Subject to any employment agreement, treatment of Unvested options is in the discretion of the Board following the Change in Control.</p> <p><u>Amended and Restated Share Option Plan Options:</u> Vested options<sup>1</sup> must be exercised within five calendar days after receipt of notice of the Change in Control. Unvested options are forfeited as of the effective date of the Change in Control.</p>

Notes

1. The terms of the Company’s Amended and Restated Share Option Plan and LTIP stipulate that certain awards may be accelerated in certain circumstances in the event of a “**Change in Control**” (as defined in Amended and Restated Share Option Plan and LTIP). The Company’s Amended and Restated Share Option Plan and LTIP, are subject to a “double trigger” which means that outstanding unvested Option awards become fully vested and exercisable on termination without cause within one year after a Change in Control.

The following table sets out the potential incremental payments to NEOs as if their employment had been terminated without cause, including in the event of a Change in Control, on December 31, 2021, the last business day prior to the 2021 Fiscal year end.

Name and Principal Position	Triggering Event	Months used to calculate Termination Payment	Value of Termination Payment	Target STI	Value of LTI <sup>2</sup>	Lump Sum	Total Value
Richard Maltzbarger <sup>1</sup> <i>President and Chief Executive Officer</i>	Termination by the Company Without Cause or Executive Resigns for Good Reason	21	\$1,275,724	\$728,985	\$0	\$44,373	\$2,049,082
	Change of Control and Termination by the Company Without Cause or Executive Resigns for Good Reason <sup>2</sup>	21	\$1,275,724	\$722,603	\$15,765,318	\$43,373	\$17,814,400
James Grady <sup>1</sup> <i>Chief Financial Officer</i>	Termination by the Company Without Cause or Executive Resigns for Good Reason	16	\$731,521	\$411,480	\$0	-	\$1,143,001
	Change of Control and Termination by the Company Without Cause or Executive Resigns for Good Reason <sup>2</sup>	16	\$731,521	\$411,480	\$2,119,273	-	\$3,262,274
Christine Schultz <sup>1</sup> <i>Chief Information Officer</i>	Termination by the Company Without Cause or Executive Resigns for Good Reason	16	\$618,686	\$232,007	\$0	-	\$850,694
	Change of Control and Termination by the Company Without Cause or Executive Resigns for Good Reason <sup>2</sup>	16	\$618,686	\$232,007	\$1,458,346	-	\$2,309,040
Kendalee MacKay <i>Chief Merchandising Officer</i>	Termination by the Company Without Cause or Executive Resigns for Good Reason	13	\$477,598	\$220,430	\$0	-	\$698,028
	Change of Control and Termination by the Company Without Cause or Executive Resigns for Good Reason <sup>2</sup>	13	\$477,598	\$220,430	\$3,291,662	-	\$3,989,690
Tanbir Grover <i>Chief Marketing &amp; Digital Officer</i>	Termination by the Company Without Cause or Executive Resigns for Good Reason	13	\$406,250	\$187,500	\$0	-	\$593,750
	Change of Control and Termination by the Company Without Cause or Executive Resigns for Good Reason <sup>2</sup>	13	\$406,250	\$187,500	\$3,291,662	-	\$3,885,412

Notes

1. Salary and STI for Mr. Maltzbarger, Mr. Grady and Ms. Schultz and, for Mr. Maltzbarger the Lump Sum, are paid in U.S. dollars and have been converted to Canadian dollars based on the Bank of Canada exchange rate for December 31, 2021 of US\$1.00 = C\$1.2678.
2. Represents the value of the unvested options that would vest and be paid under the Change in Control and termination scenario.

## Equity Incentive Plans

Prior to the IPO, the Company historically granted to certain Directors, officers and employees options to purchase non-voting common shares of the Company under the Amended and Restated Share Option Plan. In connection with the IPO, Pet Valu amended the Amended and Restated Share Option Plan to, among other things, prohibit further awards under this Plan.

In connection with the IPO, the Company adopted the LTIP, which allows the Board to grant long-term equity-based awards to eligible participants. The LTIP provides flexibility to the Company to grant equity-based incentive awards in the form of options, SARs, Tandem SARs, RSUs, PSUs, and restricted stock as described in further detail below.

### ***Long-Term Incentive Plan***

The LTIP is administered by the Board (which may delegate its authority to the Compensation Committee), and the Board has the authority to interpret the LTIP, including in respect of any award granted thereunder. The LTIP permits the Board to grant awards of options, SARs, Tandem SARs, RSUs, PSUs, and restricted stock to eligible participants (“**Grants**”). The following discussion is qualified in its entirety by the full text of the LTIP.

The purpose of the LTIP is to (i) promote further alignment of interests between officers, employees and other eligible service providers of the Company and Shareholders, (ii) to associate a portion of the compensation payable to officers, employees and other eligible service providers of the Company with the returns achieved by Shareholders; and to attract and retain officers, employees and other eligible service providers with the knowledge, experience and expertise required by the Company.

#### *Eligibility*

Any individual employed by the Company, including a service provider, who, by the nature of his or her position or job is, in the opinion of the Board, in a position to contribute to the success of the Company shall be eligible to receive Grants under the LTIP provided that only officers and employees of the Company shall be eligible to receive options under the LTIP. Non-Employee Directors shall not be eligible to receive Grants under the LTIP. See “Director Compensation – Deferred Share Unit Plan”.

#### *Shares reserved for issuance*

The aggregate number of Shares that may be issued pursuant to Grants made under the LTIP together with all other security-based compensation arrangements of the Company shall be a number equal to 10% of the aggregate number of issued and outstanding Shares from time to time. The aggregate number of Shares reserved for issuance to any one participant under the LTIP (a “**Participant**”), together with all other security-based compensation arrangements of the Company, shall not exceed 5% of the aggregate issued and outstanding Shares. For purposes of computing the total number of Shares available for grant under the LTIP or any other security-based compensation arrangement of the Company, Shares subject to any Grant (or any portion thereof) that are forfeited, surrendered, cancelled or otherwise terminated, including if a number of Shares covered by an option have not been issued due to the exercise of a Tandem SAR connected with such option prior to the issuance of such Shares, shall again be available for grant under the LTIP.

#### *Insider participation limit*

The maximum number of Shares that are (i) issued to insiders within any one year period; and (ii) issuable

to insiders, at any time, under the LTIP, or when combined with all of the Company's other security-based compensation arrangements, shall not exceed 10% of the number of the aggregate issued and outstanding Shares.

#### *Options*

The LTIP provides that options issued, unless otherwise designated by the Board, shall vest one-third of each grant on the first three anniversaries of the date of the grant based on continued employment, and may be exercised during a period determined by the Board, which may not exceed 10 years. The exercise price for each Share subject to an option shall be fixed by the Board but under no circumstances may any exercise price be less than 100% of the Market Price (as defined in the LTIP) on the date of grant of the option. The exercise of options may be subject to vesting conditions, including specific time schedules for vesting and performance-based conditions.

#### *Stock appreciation rights*

The LTIP provides that Participants may be granted standalone SARs, being a right to receive a cash amount equal to the amount, if any, by which the Market Price on the date of exercise of the SAR exceeds the Market Price at the time of the grant (the "**Base Price**"). Such amounts may also be payable by the issuance of Shares (at the discretion of the Board). The exercise of SARs may also be subject to conditions similar to those which may be imposed on the exercise of options.

In addition, SARs may be granted in connection with a grant of options ("**Tandem SARs**"), which shall be subject to the same terms and conditions of the grant of options. Tandem SARs may be exercised only if and to the extent the related options are vested and exercisable, and on exercise of a Tandem SAR, the related option will be cancelled and the Participant will be entitled to the amount in settlement of the Tandem SARs. Upon exercise, the Tandem SAR will be settled by a cash amount equal to the amount, if any, by which the Market Price on the date of exercise of the Tandem SAR exceeds the exercise price of the related option at the time of the grant. Such amounts may also be payable by the issuance of Shares (at the discretion of the Board).

#### *Share Units*

The LTIP provides that Participants may be allocated share units in the form of RSUs or PSUs (collectively, "**Share Units**"), which represent the right to receive an equivalent number of Shares or the Market Price on the vesting date. The issuance of such Share Units may be subject to vesting requirements similar to those described above with respect to the exercisability of options and SARs, including such time or performance-based conditions as may be determined from time to time by the Board in its discretion. The LTIP provides for the express designation of Share Units as either RSUs, which have time-based vesting conditions, or PSUs, which have performance-based vesting conditions over a specified period.

#### *Restricted stock*

The LTIP provides that Participants may be granted restricted stock in such amounts and with such terms and conditions as determined by the Board. Restricted stock are Shares that are registered in the recipient's name, but are subject to transfer and/or other restrictions for a period of time. During the period that any restrictions apply, the transfer of restricted stock is generally prohibited. The terms of the award of restricted stock shall provide that during the period of restriction the grantee will not have voting rights with respect to the restricted stock. All ordinary cash dividend payments or other ordinary distributions paid upon a restricted stock award will be retained by the Company and paid to the grantee (without interest) during the vesting period and will revert back to the Company if for any reason the restricted stock award upon which such dividends or other distributions were paid reverts back to the Company.

### *Transferability*

No Grants and no rights or interests therein may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. A Participant may designate a beneficiary, in writing, to receive any benefits that are provided under the LTIP upon the death of such Participant.

### *Adjustments*

The LTIP contains provisions for the equitable treatment of Grants in relation to any capital changes and with regard to a dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other relevant changes to the authorized or issued capital of the Company.

### *Change in Control*

The LTIP provides that in the event of a Change in Control (for the purposes of this section, as defined in the LTIP) prior to the vesting of a Grant, and subject to the terms of a Participant's employment agreement and the applicable Grant agreement, the Board shall have full authority to determine in its sole discretion the effect, if any, of a Change in Control on the vesting, exercisability, settlement, payment or lapse of restrictions applicable to a Grant.

### *Amendment and termination*

The LTIP and any Grant made pursuant to the LTIP may be amended, modified or terminated by the Board without approval of Shareholders, provided that no amendment may be made without the consent of a Participant if it adversely affects the rights of the Participant in respect of any Grant previously made to such Participant. For greater certainty, the LTIP may not be amended without Shareholder approval to do any of the following:

- (a) increase in the maximum number of Shares issuable pursuant to the LTIP;
- (b) reduce the exercise price of an outstanding option or the Base Price of a standalone SAR, except as otherwise provided under “- Adjustments”;
- (c) extend the maximum term of any Grant made under the LTIP, except as otherwise provided under “-Adjustments”;
- (d) amend the assignment provisions described above under “- Transferability”;
- (e) permit a non-employee member of the Board to be eligible for Grants under the LTIP;
- (f) increase the number of Shares that may be issued or issuable to insiders above the restriction or deleting the restriction on the number of Shares that may be issued or issuable to insiders;
- (g) include other types of equity compensation involving the issuance of Shares under the LTIP; or
- (h) amend the amendment provisions of the LTIP to amend or delete any of (a) through (g) or grant additional powers to the Board to amend the LTIP or entitlements without Shareholder approval;

provided that, Shareholder approval shall not be required for, among other things, the following amendments:

- (a) amendments of a “housekeeping” nature;
- (b) a change to the vesting provisions of any Grants;

- (c) a change to the termination provisions of any Grant that does not entail an extension beyond the original term of the Grant; or
- (d) amendments to the provisions relating to a Change in Control.

Subject to the foregoing, the Board may also, from time to time, amend the LTIP for purposes of establishing one or more sub-plans for the benefit of eligible individuals subject to the laws of a jurisdiction other than Canada in connection with their participation in the LTIP.

### **Amended and Restated Share Option Plan**

Eligible participants under the Amended and Restated Share Option Plan are the Directors, employees and consultants of the Company and its affiliates. The Board is responsible for administering the Amended and Restated Share Option Plan (subject to its right to delegate authority to a committee of the Board) and has the full and complete authority to interpret the Amended and Restated Share Option Plan and to take such other actions in the administration and operation of the Amended and Restated Share Option Plan as it deems equitable under the circumstances.

At the end of Fiscal 2021, options to acquire 2,703,397 Shares were outstanding under the Amended and Restated Share Option Plan. The Shares issuable upon exercise of such options represent, in the aggregate, approximately 3.9% of the total Shares issued and outstanding at the end of Fiscal 2021. No additional grants will be made under the Amended and Restated Share Option Plan, but all options previously granted under the plan will remain outstanding and will continue to vest in accordance with their existing vesting schedules, unless otherwise determined by the Board in accordance with the terms of the Amended and Restated Share Option Plan.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets out, for each of the NEOs, the value of the option-based and share-based awards vested in accordance with their terms during Fiscal 2021 (assuming the continued employment of each NEO).

<b>Name and Principal Position</b>	<b>Option-Based Awards – Value Vested During the Year <sup>(1)</sup></b>	<b>Share-Based Awards – Value Vested During the Year</b>	<b>Non-Equity Incentive Plan Compensation – Value Vested During the Year</b>
Richard Maltsbarger <i>President and Chief Executive Officer</i>	\$7,333,319	-	-
James Grady <i>Chief Financial Officer</i>	\$427,788	-	-
Christine Schultz <i>Chief Information Officer</i>	\$366,679	-	-
Kendalee MacKay <i>Chief Merchandising Officer</i>	\$366,679	-	-
Tanbir Grover <i>Chief Marketing &amp; Digital Officer</i>	\$733,358	-	-

#### Notes

1. This column contains the aggregate dollar value of in-the-money unexercised options that vested in 2021 for all NEOs using the December 31, 2021 closing Share price on the TSX of \$36.07.

### Securities Authorized for Issuance under Equity Incentive Plans

Plan	Number of Shares to be Issued upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options (\$)	Number of Shares Remaining Available for Issuance
LTIP	276,490	\$20.00	3,912,868
Amended and Restated Option Plan	2,703,397	\$9.31	N/A

A maximum of 4,189,358 Shares may be issued under the LTIP and a maximum of 2,819,041 Shares may be issued under the Amended and Restated Option Plan. As at January 1, 2022, an aggregate of 276,490 options had been awarded under the LTIP and an aggregate of 2,819,041 options had been awarded under the Amended and Restated Option Plan, and 2,979,887 of these options remain outstanding, representing 4.3% of issued and outstanding Shares on a non-diluted basis. As at such date, a total of 3,912,868 options remained available for grant under the LTIP, representing 5.6% of issued and outstanding Shares on a non-diluted basis. No further options are available for grant under the Amended and Restated Option Plan.

## DIRECTOR COMPENSATION

### General

The following discussion describes the significant elements of the compensation program for members of the Board and its committees. The compensation of the Directors is designed to attract and retain committed and qualified Directors and to align their compensation with the long-term interests of its Shareholders.

### Director Compensation

The Company's Director compensation program is designed to attract and retain the most qualified individuals to serve on the Board. The Board, on the recommendation of the Compensation Committee, will be responsible for reviewing and approving any changes to the Directors' compensation arrangements.

In consideration for serving on the Board, each non-employee Director, other than Directors affiliated with Roark (each, a "**Non-Employee Director**"), will be paid an annual retainer, which was set following a review in 2021 of Canadian and U.S. benchmark peers as described in the "Market Position and Benchmarking" section under Compensation Discussion and Analysis. The Company's Director compensation policy is comprised of a mix of cash and equity. The Company does not pay meeting fees. The retainer is prorated from the date of the Director's appointment to the Board or a particular committee. The Company also reimburses Directors for their reasonable out-of-pocket expenses incurred while serving as Directors.

The chart below outlines the Company's Director compensation program for its Non-Employee Directors.

Position	Type of Fee		Amount Per Year
	Cash Retainer	Equity Retainer	
Chair of the Board	\$175,000	\$100,000	\$275,000
Member of the Board	\$75,000	\$100,000	\$175,000
Audit Committee Chair	\$20,000	-	\$20,000
Compensation Committee Chair	\$15,000	-	\$15,000
Governance and Nominating Committee Chair	\$15,000	-	\$15,000
Committee Member	\$5,000	-	\$5,000

The equity retainer is paid in DSUs. Each Non-Employee Director may also elect to receive up to 100% of their cash retainer in the form of DSUs. The cash and equity retainers are paid on a quarterly basis with the number of DSUs to be issued being determined based on the Market Price (as defined in the DSU Plan) on the date of each such issuance. One quarter of the number of DSUs paid vest each fiscal quarter during the one year period following issuance, unless otherwise determined by the Compensation Committee or as set out in such Director's DSU award agreement. DSUs may only be redeemed when a Director ceases to be a member of the Board. See "– Deferred Share Unit Plan".

There are no service contracts or agreements, or predetermined plans or arrangements, between the Company and any of the Directors with respect to payments upon termination of their services as a Director.

In Fiscal 2021, Board members were awarded DSUs for the equity retainer, as set forth in the table below.

Name	DSU Award #
Sarah Davis	2,838
Linda Drysdale	2,655
Paul House	5,000
Rick Puckett	5,000
Steven Townsend	5,000
Anthony Truesdale	5,000
Erin Young	5,000

The table below shows the total compensation in Fiscal 2021 earned by or awarded to each Non-Employee Director.

Name	Fees Earned	Share-based Awards	Option-based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total Compensation
Sarah Davis	\$70,500	\$75,028 <sup>(1)</sup>	-	-	-	-	\$145,528
Linda Drysdale	\$41,319	\$75,027 <sup>(1)</sup>	-	-	-	-	\$116,345
Paul House <sup>(2)</sup>	\$30,933	\$100,000	-	-	-	-	\$130,933
Tom Owens <sup>(3)</sup>	\$15,971	-	-	-	-	-	\$15,971
Rick Puckett	\$100,876	\$100,050 <sup>(4)</sup>	-	-	-	-	\$200,926
Steven Townsend	\$102,195	\$100,050 <sup>(4)</sup>	-	-	-	-	\$202,245
Anthony Truesdale <sup>(5)</sup>	\$162,108	\$100,050 <sup>(4)</sup>	-	-	-	-	\$262,158
Erin Young	\$75,076	\$100,050 <sup>(4)</sup>	-	-	-	-	\$175,126

#### Notes

1. Represents the grant date fair value of DSUs granted upon appointment to the Board. DSU awards for Sarah Davis and Linda Drysdale reflect proportionate fee based on appointment to the Board in July 2021 and August 2021, respectively. One third of the DSUs credited to each of Ms. Davis and Ms. Drysdale vest on the last day of each fiscal quarter up to June 30, 2022. DSU equivalent units were issued December 15, 2021 in lieu of cash dividends.
2. Mr. House retired from the Board on July 28, 2021. The DSUs awarded did not vest and were cancelled.
3. Mr. Owens retired from the Board on May 3, 2021.
4. Represents the grant date fair value of DSUs granted upon completion of the IPO. One quarter of the DSUs credited to each Director vest on the last day of each fiscal quarter for the one-year period following the grant date. DSU equivalent units were issued December 15, 2021 in lieu of cash dividends.
5. Mr. Truesdale waived the cash retainer for serving as Chair of the Governance and Nominating Committee during 2021.

#### Deferred Share Unit Plan

Effective June 30, 2021, the Board adopted a deferred share unit plan (the “**DSU Plan**”) as a component of the Company’s long-term incentive compensation arrangements available for each Non-Employee Director (as defined in the DSU Plan). The DSU Plan is administered by the Board (which may delegate its authority to the Governance and Nominating Committee), and the Board has the authority to interpret the DSU Plan, including in respect of any DSU awarded thereunder. The following discussion is qualified in its entirety by the full text of the DSU Plan.

The DSU Plan provides Non-Employee Directors with the opportunity to receive a portion of their compensation in the form of DSUs, representing, at any particular date, a unit equivalent in value equal to the Market Price of a Share. Each Non-Employee Director who elects to receive DSUs shall be entitled to redeem his or her DSUs following such Non-Employee Director’s death, disability, resignation or retirement from the Board and, if such Director becomes an employee of the Company, upon his or her termination (with or without

cause) as an employee. DSUs will be settled in cash based on the Fair Market Value (as defined in the DSU Plan) of the Shares on the settlement date.

The DSU Plan contains provisions for the equitable treatment of DSUs granted under the DSU Plan in relation to any capital changes and with regard to a dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other relevant changes to the authorized or issued capital of the Company.

DSUs granted under the DSU Plan are generally not assignable or transferable, whether voluntarily, involuntarily, by operation of law or otherwise, other than by will or the laws of descent and distribution.

The DSU Plan and any grant of DSUs under the DSU Plan may be amended or modified by the Board without approval of Shareholders, provided that such amendment (i) may not be made without the consent of a Non-Employee Director if it adversely affects the rights of such Director in respect of any amount which such Director has elected to receive DSUs or has been granted DSUs, and (ii) shall be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSX.

The Board may terminate the DSU Plan at any time but no such termination shall, without the consent of the Non-Employee Directors or unless required by law, adversely affect the rights of a Non-Employee Director with respect to any amount in respect of which a Non-Employee Director has elected to receive DSUs or DSUs which the Non-Employee Director has then been granted under the DSU Plan.

### Equity Ownership Policy

Effective June 30, 2021 the Board adopted an Equity Ownership Policy. The Company strongly supports share ownership by members of the Board and, accordingly, has introduced minimum share ownership guidelines. Directors can meet share ownership requirements through direct or beneficial ownership of the Company's securities, including DSUs granted under the DSU Plan. The Equity Ownership Policy will require each Director to own, directly or indirectly, a minimum of securities of the Company representing a market value equal to three times their annual cash retainer. The ownership requirements must be achieved within five years of the later of (i) the closing date of the IPO, and (ii) the date the Director was first appointed or elected to the Board. Directors affiliated with Roark do not receive compensation in consideration for serving on the Board and are therefore exempt from the equity ownership requirements.

The table below shows the equity ownership for each current Director who is not also a NEO and is not exempt from the equity ownership requirements as at the end of Fiscal 2021.

Name	Year Joined Board	Number of Shares and Vested Options and DSUs Held (#) <sup>1</sup>	Total Market Value of Equity Holdings (\$) <sup>2</sup>	Multiple of Annual Cash Retainer	Equity Ownership Requirement Met <sup>3</sup>
Sarah Davis	2021	946	\$33,602	0.4	In Progress
Linda Drysdale	2021	885	\$31,435	0.3	In Progress
Rick Puckett	2019	59,829	\$1,923,336	20.2	Yes
Steven Townsend	2016	102,086	\$3,365,422	35.4	Yes
Anthony Truesdale	2019	176,925	\$5,477,253	31.3	Yes
Erin Young	2021	2,501	\$88,836	1.1	In Progress

#### Notes

1. Based on total directly held Shares, vested share options and vested DSUs at the end of Fiscal 2021.

- Shares and vested DSUs are valued based on the volume-weighted average trading price of a Share on the TSX for the five trading days preceding the measurement date (5-day VWAP), on December 31, 2021 (\$35.52). Vested options are valued as the difference between the Company's 5-day VWAP on December 31, 2021 (\$35.52) and the exercise price.
- Mr. Puckett, Mr. Townsend and Mr. Truesdale exceed the required equity ownership of 3x Annual Cash Retainer. Ms. Davis, Ms. Drysdale and Ms. Young joined the Board in 2021 and are within the permitted period of five years from the date of becoming a Director to meet the equity ownership requirement.

### Outstanding Option-Based and Share-Based Awards

The following table sets out for each Director of the Company who is not also a NEO or exempt from the equity ownership requirements, information concerning all option-based and Share-based awards that are outstanding at the end of Fiscal 2021. The option-based awards were issued under the Amended and Restated Share Option Plan. See "Executive Compensation – Equity Incentive Plans – Amended and Restated Option Plan". Directors are no longer eligible to receive share options.

Name	Option-Based Awards				Share-Based Awards		
	Number of Shares underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup>	Number of Shares or units of Shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup>	Market or payout value of vested share-based awards not paid out or distributed
Sarah Davis	-	-	-	-	1,892	\$67,204	\$33,602
Linda Drysdale	-	-	-	-	1,770	\$62,870	\$31,435
Rick Puckett	31,108	\$9.73	August 15, 2029	\$819,385	2,500	\$88,800	\$88,836
Steven Townsend	28,309	\$2.08	February 18, 2024	\$1,781,608	2,500	\$88,800	\$88,836
Anthony Truesdale	31,108	\$9.73	August 15, 2029	\$4,369,938	2,500	\$88,800	\$88,836
Erin Young	134,797	\$9.73	December 12, 2029	-	2,500	\$88,800	\$88,836

#### Notes

- Calculated based on the difference between the Company's closing Share price on the TSX on December 31, 2021 (\$36.07) and the exercise price times the number of Shares underlying the unexercised options.
- Calculated based on the Company's 5-day VWAP on December 31, 2021 (\$35.52).

## Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out for each Director of the Company who is not also a NEO, the value of the option-based and Share-based awards vested in accordance with their terms during Fiscal 2021.

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup>	Share-Based Awards – Value Vested During the Year <sup>(2)</sup>	Non-Equity Incentive Plan Compensation – Value Vested During the Year
Sarah Davis	-	\$33,602	-
Linda Drysdale	-	\$31,435	-
Rick Puckett	\$273,119	\$88,836	-
Steven Townsend	\$273,119	\$88,836	-
Anthony Truesdale	\$1,092,478	\$88,836	-
Erin Young	-	\$88,836	-

### Notes

1. Calculated based on the difference between the Company's closing Share price on the TSX on December 31, 2021 (\$36.07) and the exercise price times the number of Shares underlying the unexercised options that vested during the year.
2. Calculated based on the Company's 5-day VWAP on December 31, 2021 (\$35.52) times the number of units under the DSU plan credited to the Director for fees earned plus dividends up to the end of Fiscal 2021.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our Directors, executive officers, employees, former Directors, former executive officers or former employees, or any of our subsidiaries, and none of their respective associates, is or has within 30 days before the date of this Circular or at any time since the beginning of the Company's last fiscal year been indebted to us or any of our subsidiaries or another entity whose indebtedness is subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by us or any of our subsidiaries, other than, as of the date hereof, Ms. Martin-Bevilacqua, the Company's Chief Administrative Officer, who is indebted to PPCI in the aggregate amount of US\$742,010 plus accrued interest in connection with loans made to Ms. Martin-Bevilacqua prior to the IPO to fund the exercise of options to purchase shares. In connection with such loans, Ms. Martin-Bevilacqua pledged in favour of PPCI the shares so purchased. During Fiscal 2021, the largest amount outstanding under the loans was US\$795,772 including accrued interest, and none of the loans were forgiven.

## DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Company's Directors and officers are covered under Directors' and officers' liability insurance, for claims in the aggregate of up to \$55 million. Under this insurance coverage, the Company will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of the Company's Directors and officers, subject to a deductible for each loss, which will be paid by the Company. The Company's individual Directors and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by the Company. Excluded from insurance coverage are certain wrongful acts, acts which result in personal profit and certain other acts. If the Company is sold or enters into any business combination or other transaction as a result of which the Directors' and officers' liability insurance policy is terminated, and a party who is indemnified under the policy resigns or ceases to continue as an officer or Director of the continuing entity, the Company will cause "tail" insurance to be purchased for the benefit of the departing indemnitee with substantially the same coverage to remain in place for six years following such departure.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, none of (a) the Company's Directors or executive officers, (b) the Shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of the Company's

voting securities, or (c) any associate or affiliate of the persons referred to in (a) and (b), has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this Circular that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

## **CORPORATE GOVERNANCE**

### **Statement of Corporate Governance Practices**

The Company's corporate governance disclosure obligations are set out in the Canadian Securities Administrators' National Instrument 52-110 *Audit Committees*, National Instrument 58-101 *Disclosure of Corporate Governance Practices* and National Policy 58-201 *Corporate Governance Guidelines*. These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of Board members. NI 58-101 requires the disclosure by each listed Company of its approach to corporate governance with reference to the Guidelines.

The Company recognizes that good corporate governance plays an important role in the Company's success and in enhancing Shareholder value and, accordingly, the Company has adopted certain corporate governance policies and practices. Set out below is a description of the Company's approach to corporate governance.

### **Board Composition**

#### ***Mandate of the Board***

The Board has adopted a written mandate (the "**Mandate of the Board**") describing, *inter alia*, the Board's role and overall responsibility for the stewardship of the Company. The Board, directly and through its Board committees and the Chair of the Board, supervises the management of the business and affairs of the Company, generally through the CEO, to pursue the best interests of the Company.

The Board has overall responsibility for the Company's strategic planning, risk management, financial information and internal controls (including approval of annual and interim financial reports and nomination of the Company's auditor), human resource management (including matters relating to the CEO and other senior management of the Company, succession planning, Director remuneration, and the Company's equity compensation plans), Board nomination matters, corporate governance, and communications with the Company's Shareholders.

The text of the Mandate of the Board is reproduced in its entirety in Appendix A.

#### ***Composition of the Board***

Under the Articles, the Board consists of a minimum of three and a maximum of nine Directors as determined from time to time by the Board. Pursuant to Article 14.8 of the Articles, between successive annual general meetings, the Board may appoint additional Directors, but the number of additional Directors must not at any time exceed one-third of the number of the current Directors. On August 12, 2021, the Board appointed one additional Director, Linda Drysdale, to the Board. Under the BCBCA, a director may be removed with or without cause by a resolution passed by a majority of the votes cast by Shareholders present in person or by proxy at a meeting and who are entitled to vote. The Directors are appointed at the annual general meeting of Shareholders and the term of office for each of the Directors will expire at the time of the Company's next annual general Shareholders meeting.

The Board currently consists of 10 Directors: Anthony Truesdale, Sarah Davis, Linda Drysdale, Clayton Harmon, Patrick Hillegass, Kevin Hofmann, Richard Maltsbarger, Rick Puckett, Steven Townsend and Erin Young.

## ***Nomination***

The Governance and Nominating Committee is responsible for, annually or as required, recruiting and identifying, and recommending to the Board for nomination, individuals qualified to become new Board members, as well as recommending individual Directors to serve on the various Board committees. In making its recommendations, the Governance and Nominating Committee shall consider the competencies, skills and other qualities it considers to be necessary for the Board, as a whole, to possess, the competencies, skills and other qualities it considers each existing Director to possess, and the competencies, skills and other qualities each new nominee will bring to the Board.

The Governance and Nominating Committee shall also consider the amount of time and resources that nominees have available to fulfill their duties as a Board member. The Governance and Nominating Committee is composed of independent directors within the meaning of NI 58-101. The chair of the Governance and Nominating Committee will lead the nominating process in accordance with and pursuant to the criteria for Board membership as set forth in the mandate of the Governance and Nominating Committee. See “– Committees of the Board – Governance and Nominating Committee”.

## ***Director Term Limits/Mandatory Retirement***

The Board believes that the advantages that accrue from experience and long service on the Board need to be balanced against the benefits of renewal. Accordingly, the Board has adopted term limits for its independent Directors (the “**Director Tenure Policy**”). Pursuant to the Director Tenure Policy, no candidate will be appointed or nominated for election as an independent Director to the Board if he or she has completed 12 years of continuous service on the Board or has reached 75 years of age. On a case-by-case basis, and on the recommendation of the Governance and Nominating Committee, the Board may, in exceptional circumstances and to further the best interests of the Company, nominate a Director for re-election as an independent Director to the Board after the expiry of their maximum term.

The Governance and Nominating Committee also conducts an annual process for the assessment of the Board, each Board committee and each Director regarding his, her or its effectiveness and performance, and to report evaluation results to the Board. See also “– Committees of the Board – Governance and Nominating Committee”.

## ***Independence of the Board***

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of NI 52-110. Pursuant to NI 52-110, an “independent director” is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment. In determining whether a particular Director is an “independent director” or a “non-independent director”, the Board considers the factual circumstances of each director in the context of the Guidelines.

Based on information provided by each Director concerning his or her background, employment and affiliations, the Board has determined that four Directors on the Board, Clayton Harmon, Patrick Hillegass, Kevin Hofmann and Richard Maltsbarger, are not considered independent as a result of their employment relationship with the Principal Shareholders or the Company. Six of the 10 members of the Board, Anthony Truesdale (Chair), Rick Puckett, Steven Townsend, Erin Young, Sarah Davis and Linda Drysdale are independent for the purposes of NI 58-101.

## ***Chair of the Board and Lead Director***

The Board recognizes the importance of independent leadership on the Board, and has appointed Anthony Truesdale, an independent Director, as Chair of the Board, responsible for overseeing the operations and affairs of the Board. The Board has adopted a written position description for the Chair of the Board, which sets out the Chair of

the Board's key responsibilities, including, among others, providing leadership, setting Board meeting agendas, chairing Board and Shareholder meetings, and supporting the orientation of new Director and continued education of incumbent Directors.

If at any time the Chair of the Board is not independent, the Board shall appoint an independent director as a Lead Director and consider other possible steps and processes to ensure that independent leadership is provided for the Board. The Board has adopted a written position description for the Lead Director, which sets out the Lead Director's key responsibilities (if and when applicable), including, among others, ensuring the Board functions effectively and independently of management of the Company and chairing meetings of independent directors without management present.

### **Meetings**

The Board holds regularly scheduled quarterly meetings as well as *ad hoc* meetings from time to time. At each Board meeting, an *in camera* meeting of independent directors takes place, which session is chaired by the Chair of the Board or Lead Director if the Chair is not independent within the meaning of NI 52-110. The independent directors of the Company may also, at their discretion, hold *ad hoc* meetings that are not attended by the Company's management and non-independent Directors.

The Board may invite to a meeting any officer or employee of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. Meeting attendees who are not Board members will be excused for any agenda items which are reserved for discussion among Directors only.

If a Director of the Company holds an interest in a transaction or agreement under consideration at a Board meeting or a Board committee meeting, that Director shall not be present at the time the Board or Board committee deliberates such transaction or agreement and shall abstain from voting on the matter.

### **Orientation and Continuing Education**

The Governance and Nominating Committee reviews, monitors and makes recommendations with respect to new Director orientation. All newly elected Directors shall be provided with an orientation as to the nature and operation of the business and affairs of the Company and as to the role of the Board and its committees. Each new Director shall meet with the Chair of the Board, individual Directors and members of the senior management team to discuss the Company's business and activities. Orientation is designed to assist new Directors in fully understanding the nature and operation of the Company's business, the role of the Board and its committees, and the contributions that individual Directors are expected to make to the Board, its committees (as applicable) and the Company, including the time and effort the Company expects them to devote to the execution of their functions.

In addition, the Governance and Nominating Committee shall review, monitor and make recommendations with respect to Director continuing education opportunities designed to maintain or enhance the skills and abilities of the Directors and to ensure that their knowledge and understanding of the Company's business remains current. Board members are expected to keep themselves current with industry trends and developments and are encouraged to communicate with management and, where applicable, auditors, advisors and other consultants of the Company. Board members have access to the Company's in-house and external legal counsel in the event of any questions or matters relating to the Board members' corporate and director responsibilities and to keep themselves current with changes in legislation. Board members have full access to the Company's records.

At least annually, the Board shall review the adequacy of the orientation and continuing education program for its members and review the recommendations of the Governance and Nominating Committee concerning proposed changes to the Company's orientation and continuing education program and if deemed advisable, approve, with or without variation, the adoption of any such changes.

## **Assessments**

The Governance and Nominating Committee oversees the periodic evaluation of the Board and committees of the Board. The Governance and Nominating Committee also monitors Director performance throughout the year (with a view to ensuring that they are fulfilling their respective responsibilities and duties and working together effectively).

## **Succession Planning**

The Board, at least annually, reviews the succession plans of the Company for the Chair of the Board and, if applicable, the Lead Director. The Governance and Nominating Committee periodically reviews and makes recommendations to the Board with respect to succession planning matters concerning the CEO and other members of senior management of the Company. The Board periodically reviews the recommendations of the Governance and Nominating Committee and if applicable, develops the succession plans for the Company.

## **Position Descriptions**

The Board has written position descriptions for the Chair of the Board, the Lead Director, the Chair of the Compensation Committee, Chair of the Audit Committee, Chair of the Governance and Nominating Committee and the CEO. Each position description sets out, without limitation, the requirements and responsibilities of each such position. See “– Director Term Limits/Mandatory Retirement”, “– Chair of the Board and Lead Director” and “– Committees of the Board”.

## **Ethical Business Conduct**

The Board has adopted a written code of business conduct and ethics (the “**Code**”) that applies to all of the Directors, officers and employees of the Company and its subsidiaries. The Code provides a set of standards and principles for conducting the business of the Company by acting ethically and with integrity, operating safely, and treating others in a respectful and compassionate manner. The Code sets out guidance with respect to conduct in dealing with retaliation, conflicts of interest, competition and fair dealing, workplace harassment and discrimination, privacy, insider trading, information technology systems and security, confidentiality and disclosure, financial reporting, compliance with laws, customers and business partners, health and safety, political activity and reporting any illegal or unethical behaviour.

The Board has ultimate responsibility for monitoring compliance with the Code and it monitors compliance through the Governance and Nominating Committee. The Board is also responsible for considering any waivers of the application of the Code. The Code of Conduct is filed with the Canadian securities regulatory authorities on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Insider Trading Policy**

The Board has adopted the Insider Trading Policy relating to the trading in securities of the Company by Directors, officers, employees and other insiders of the Company and its subsidiaries. Among other things, the following are prohibited by the Insider Trading Policy: (a) speculating in securities of the Company; (b) short selling securities of the Company; (c) transacting in puts and calls; and (d) purchasing financial instruments that are designed to hedge or offset a decrease in the market value of securities of the Company granted as compensation or held, directly or indirectly, by a Director or senior officer of the Company.

The Insider Trading Policy also provides for “blackout periods” during which persons who are subject to trading pre-clearance pursuant to the policy are prohibited from trading in securities of the Company. The blackout periods for quarterly earnings run from the 15<sup>th</sup> day of the third month of a fiscal quarter until the completion of two full trading days following the date on which a press release has been issued in respect of the Company’s interim or annual financial statements. For blackouts outside of the earnings blackouts, the time period over which such

blackouts will run will be determined at the time of implementation of the blackout and will be based on the facts of a particular situation.

## **Diversity**

Pet Valu is committed to fostering an open and inclusive workplace culture. The Company recognizes and embraces the benefits of having diversity on its Board and in senior management to ensure that members of the Board and senior management provide the necessary range of perspectives, experience and expertise required to achieve the Company's objectives and deliver for its stakeholders. The Governance and Nominating Committee values and considers diversity as part of its overall annual evaluation of Board nominees for election or re-election, as well as candidates for senior management positions. Gender and racial diversity are of particular importance to the Company in ensuring diversity within the Board and senior management.

To demonstrate the Company's commitment to diversity, the Board has adopted a written policy concerning Board and senior management diversity (the "**Diversity Policy**"). The Board defines diversity as any dimension that can be used to differentiate groups and people from one another and includes gender identity and sexual orientation, age, persons with disabilities, race, nationality, culture, language and other ethnic distinctions, education, regional and industry experience, and expertise. The Board measures the effectiveness of its Diversity Policy over time by tracking Board diversity and reviewing nominee pools for diversity criteria.

### ***The Board***

The Company is committed to a merit-based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Company will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board. The Company recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role of qualified women in contributing to diversity of perspective on the Board. Accordingly, in order to promote the specific objective of gender diversity on the Board, the selection process for Board appointees and nominees for election by the Company will also involve ensuring that appropriate efforts are made to include women in the list of candidates being considered for Board positions and if, at the end of the selection process, no women are selected from the list of candidates, the Board must be satisfied that there are objective reasons to support this determination.

Currently, three of 10 (30%) members of the Board identify as women. In furtherance of Board diversity, the Diversity Policy provides that the Company will target, on or prior to the Company's annual shareholder meeting in 2024, and thereafter, that at least 30% of the members of the Board will identify as women.

### ***Senior Management***

The Company recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role of women in contributing to diversity of perspective in senior management positions. Accordingly, in order to promote the specific objective of gender diversity, the Company will (i) implement policies which address impediments to gender diversity in the workplace and review their availability and utilization, (ii) proactively identify high-potential women for leadership training programs and encourage them to apply for more senior roles, (iii) develop flexible scheduling programs and other family friendly policies for mid-career women to assist with recruitment and retention, (iv) regularly review the proportion of persons at all levels of the Company who are women, (v) monitor the effectiveness of, and continue to expand on, existing initiatives designed to identify, support and develop talented women with senior management potential, and (vi) continue to identify new ways to entrench diversity as a cultural priority across the Company.

There are currently five executive officers of the Company who identify as women. With respect to the Company's senior employees, approximately 47% of the Company's employees with a Vice-President title are women

(7 of 15) and approximately 52% of the Company’s employees with a director title are women (17 of 33). In addition, approximately 84% of the Company’s employees with a Store Manager or District Manager title are women (211 of 251). On an annual basis, the Governance and Nominating Committee assesses the effectiveness of the senior management appointment process at achieving the Company’s diversity objectives and consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity in senior management.

The Company does not intend to establish a target regarding the number of women in executive officer or senior leadership positions. The Company believes that the most effective way to achieve its goal of increasing the representation of women in leadership roles at all levels of the organization is to identify high-potential women within the Company and work with them to ensure they develop the skills, acquire the experience and have the opportunities necessary to become effective leaders. The Company will, however, evaluate the appropriateness of adopting targets in the future.

The following tables set out the number and percentage of Board members and executive officers who identify as women, and the Company’s target and progress in achieving such target in respect to Board diversity. The Company has not adopted a target in respect to executive officer diversity.

	Number	%
Women on Board of Directors	3 of 10	30%
Women in Executive Officer Positions	5 of 8	62.5%

	Target		Specific Date for Achievement of Target	Progress in Achieving Target
	Number	%		
Board of Directors	3 of 10	30%	2024 Annual Shareholder Meeting	Achieved
Executive Officer Positions	N/A	N/A	N/A	N/A

### Committees of the Board

The Board has established three committees: the Audit Committee, which is required by Canadian securities laws for all reporting issuers, the Compensation Committee and the Governance and Nominating Committee. The Board will delegate to the applicable committee those duties and responsibilities set out in each committee’s mandate.

The Board has adopted a written position description for the Chair of each of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee which set out each of the committee Chair’s key responsibilities, including, among others, duties relating to preparing committee meeting agendas, chairing committee meetings and providing leadership to foster the effectiveness of each committee in carrying out the duties and responsibilities described in each committee’s mandate.

## **Audit Committee**

### *Mandate of the Audit Committee*

The Board has adopted a written mandate of the Audit Committee that establishes, *inter alia*, the Audit Committee's purpose and responsibilities. Within the purview of its mandate, the Audit Committee is responsible for overseeing the Company's financial statements and financial disclosure and shall review and, if advisable, approve and recommend the annual financial statements and interim financial statements for Board approval. The Audit Committee's responsibilities also include the selection, recommendation and oversight of the Company's independent auditor, as well as the oversight of the Company's internal controls over financial reporting and disclosure and the performance of the Company's internal audit function.

The text of the Mandate of the Audit Committee is reproduced in its entirety in Appendix B.

### *Composition of the Audit Committee*

The Audit Committee consists of a minimum of three Directors. The Audit Committee is currently comprised of Linda Drysdale, who is chair of this committee, Sarah Davis, Patrick Hillegass, Rick Puckett and Steven Townsend. It is the Board's determination that each of the members of the Audit Committee is financially literate within the meaning of NI 52-110. A Director is "financially literate" within the meaning of NI 52-110 if the Director has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Each of Ms. Drysdale, Ms. Davis, Mr. Puckett and Mr. Townsend have been determined by the Board to be independent within the meaning of NI 52-110. Mr. Hillegass is exempt from the independence requirements of NI 52-110 in reliance on section 3.2(2) of NI 52-110 (Initial Public Offerings) as, among other things, the majority of the Audit Committee members are independent within the meaning of NI 52-110 and the Board has determined in its reasonable judgment that the reliance on this exemption will not materially adversely affect the ability of the Audit Committee to act independently and to satisfy the other requirements of NI 52-110.

Each of the Audit Committee members has an understanding of the accounting principles used to prepare the Company's financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, see "Matters to be Acted upon at Meeting – Nominees for Election to the Board".

The members of the Audit Committee will be appointed annually by the Board, and each member of the Audit Committee will serve at the discretion of the Board until the member resigns, is removed or ceases to be a member of the Board.

### *Policies and procedures for the engagement of audit and non-audit services*

The Audit Committee is responsible for pre-approving any and all audit services and permitted non-audit services to be provided by the Company's independent auditors and adopts and implements policies for such pre-approval. The Audit Committee considers the impact of such non-audit services and fees on the independence of the auditors and monitor and evaluate on an ongoing basis the independence of the independent auditors by obtaining written confirmation from the independent auditors affirming that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other applicable requirements.

### External audit service fees

For Fiscal 2021 and the fiscal year ended January 2, 2021 (“**Fiscal 2020**”), the Company incurred the following fees with its external auditor, Ernst & Young LLP:

	Fiscal 2021	Fiscal 2020
Audit fees <sup>(1)</sup> .....	770,000	1,138,242
Audit-related fees <sup>(2)</sup> .....	423,840	702,200
Tax fees <sup>(3)</sup> .....	229,890	691,525
All other fees <sup>(4)</sup> .....	1,118,657	899,406
<b>Total</b> .....	<b>\$2,542,387</b>	<b>\$3,431,373</b>

#### Notes:

- (1) The aggregate of fees billed for annual audit services relating to the audit of the Company under IFRS. Fiscal 2020 includes fees for the audit of the fiscal year ended December 29, 2018 (“**Fiscal 2018**”), the fiscal year ended December 28, 2019 (“**Fiscal 2019**”) and Fiscal 2020. Fiscal 2019 includes fees allocated to the Company from the Group (as hereinafter defined) for the annual audit performed under US GAAP under the standards for private enterprises. Prior to the IPO, the Company was not operating as a stand-alone entity and as a result, the Company’s financial information for periods prior to June 30, 2021 are presented on a carve-out basis that includes only legal entities representing the Canadian operations of Pet Valu Holdings Ltd. (referred to as the “**Group**”, prior to the distribution of its U.S. operations to its shareholder).
- (2) Fiscal 2020 includes fees incurred in relation to audit services performed under US GAAP for the purposes of financing arrangements for Fiscal 2018 and Fiscal 2019 in addition to fees for services performed in relation to the transition to IFRS. Fiscal 2021 includes fees incurred related to interim reviews and for services performed in relation to the transition to IFRS.
- (3) The aggregate fees billed for professional services rendered for tax advice and tax planning.
- (4) The aggregate fees incurred for services other than set out under the headings “Audit fees”, “Audit related fees” and “Tax fees”, including consultation services on due diligence and work undertaken in connection with the Company’s IPO, the Secondary Offering and for translation services.

For additional details regarding the Audit Committee, see “Directors and Executive Officers – Audit Committee” in the Company’s most recent Annual Information Form, available for review under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com)

### Compensation Committee

The Compensation Committee consists of a minimum of two Directors, and assists the Board in discharging its responsibilities regarding executive compensation and administration of the Company’s equity-based compensation plans.

The Compensation Committee is currently comprised of Steven Townsend, who is chair of this committee, Clayton Harmon and Patrick Hillegass. Mr. Harmon and Mr. Hillegass are not considered independent for the purposes of NI 58-101, while Mr. Townsend is considered independent for the purposes of NI 58-101. No member of the Compensation Committee is an executive officer of the Company, and as such, the Board believes that the Compensation Committee will be able to conduct its activities in an objective manner. Each member of the Compensation Committee has previous experience as a director or an advisor in formulating, reviewing and/or approving executive compensation policies, strategies and programs. For additional details regarding the relevant education and experience of each member of the Compensation Committee, see “Matters to be Acted upon at Meeting – Nominees for Election to the Board”.

The members of the Compensation Committee will be appointed annually by the Board, and will serve at the discretion of the Board until the member resigns, is removed or ceases to be a member of the Board.

The Board has adopted a written mandate setting forth the purpose, composition, authority and responsibility of the Compensation Committee consistent with the Company’s corporate governance guidelines. In accordance therewith, the Compensation Committee is responsible for, among other things:

1. Setting the overall philosophy, strategy and policies for compensation of the Company's executive officers and determining the forms and amount of compensation appropriate to achieve the Company's strategic objectives.
2. At least annually, reviewing and approving the Company's corporate goals and objectives relevant to the compensation of the Chief Executive Officer and other executive officers and evaluating the performance of the executive officers other than the Chief Executive Officer, to determine such officers' compensation level relative to this evaluation in respect to (1) the annual incentive opportunity level and any related goals and (2) the long-term incentive opportunity level and any related goals.
3. Annually, reviewing the Governance and Nominating Committee's evaluation of the performance of the Chief Executive Officer in light of the Company's corporate goals and objectives relevant to the compensation of the Chief Executive Officer, and determining the Chief Executive Officer's compensation level based on this evaluation, including (1) the annual base salary level, (2) annual incentive opportunity level and any related goals, (3) the long-term incentive opportunity level and any related goals, and (4) any supplemental benefits or perquisites.
4. Reviewing and approving the key terms and conditions of all employment and other agreements between the Company and the Chief Executive Officer.
5. Reviewing the recommendations of the Chief Executive Officer respecting the appointment, compensation and other terms of employment of other executive officers and, if advisable, approving and recommending for Board approval any such appointment, compensation and other terms and conditions of employment.
6. Reviewing and making recommendations to the Board concerning the adoption, terms, amendment and operation of the Company's compensation plans for all executive officers and other officers, including incentive-compensation plans and equity based plans.
7. Making recommendations to the Board with respect to equity awards under the Company's equity based compensation plans to be approved by the Board.
8. Reviewing and approving any compensation disclosure of the Company before it is publicly disclosed.
9. On an annual basis, reviewing compliance by the executive officers and Directors of the Company with the Company's share ownership guidelines, and recommending for approval by the Board any changes to the Company's share ownership guidelines.
10. Considering and recommending to the Board the frequency of the Company's advisory vote on executive compensation and assessing the results of each such advisory vote.

Further particulars of the process by which compensation for the NEOs is determined is provided under the heading "Executive Compensation".

### ***Governance and Nominating Committee***

The Governance and Nominating Committee consists of a minimum of three Directors, and assists the Board in fulfilling its responsibilities in connection with the composition of the Board, corporate governance policies, the Code, management succession and development, and the remuneration for Board and committee service.

The Governance and Nominating Committee is currently comprised of Sarah Davis, who is chair of this committee, Clayton Harmon and Erin Young. Mr. Harmon will not be considered independent for the purposes of NI 58-101, while Ms. Davis and Ms. Young will be considered independent for the purposes of NI 58-101. No member of the Governance and Nominating Committee is an executive officer of the Company, and as such, the Board believes that the Governance and Nominating Committee will be able to conduct its activities in an objective manner. For additional details regarding the relevant education and experience of each member of the Governance and Nominating Committee, see “Matters to be Acted upon at Meeting – Nominees for Election to the Board”.

The members of the Governance and Nominating Committee are appointed annually by the Board, and will serve at the discretion of the Board until the member resigns, is removed or ceases to be a member of the Board.

The Board has adopted a written mandate setting forth the purpose and scope, composition, and responsibilities of the Governance and Nominating Committee consistent with the Company’s corporate governance guidelines. In accordance therewith, the Governance and Nominating Committee is responsible for, among other things:

1. Ensuring that an appropriate system is in place to annually evaluate the size, composition and effectiveness of the Board, as well as the Board committees and individual Directors.
2. Annually assessing the effectiveness of the senior management appointment process at achieving the Company’s diversity objectives.
3. Periodically reviewing and recommending to the Board with respect to succession planning matters concerning the Chief Executive Officer and other key executive officers.
4. Periodically reviewing and making recommendations to the Board with respect to the position description of the Chief Executive Officer, including the corporate goals and objectives that the Chief Executive Officer has responsibility for meeting, and the basis upon which the Chief Executive Officer is to interact with and report to the Board, and to ensure compliance with applicable laws, and where necessary recommending changes to the Board for approval.
5. Annually evaluating the performance of the Chief Executive Officer in light of the Company’s corporate goals and objectives relevant to the compensation of the Chief Executive Officer and providing the results of such evaluation to the Compensation Committee to determine the Chief Executive Officer’s compensation level based on this evaluation.
6. Periodically reviewing the Code, disclosure policy of the Company, Insider Trading Policy, Diversity Policy, and similar or other governance policies of the Company and (including share ownership guidelines), to ensure compliance with applicable laws, and where necessary recommending changes to the Board for approval.
7. Monitoring conflicts of interest (real or perceived) of members of the Board and management in accordance with the Code.
8. Reviewing, monitoring and making recommendations regarding new director orientation and the continuing education of existing Directors.
9. Reviewing all Shareholder proposals submitted to the Company in connection with meetings of Shareholders and recommending to the Board appropriate action on each such proposal.

10. On an annual basis, reviewing and recommending for approval by the Board the compensation for members of the Board and its committees, and reviewing and recommending changes in such compensation and plans relating to Director compensation, including any equity awards.
11. Overseeing the Company's activities and disclosure on corporate responsibility and environmental, social and governance matters.
12. Making recommendations to the Board establishing policies and procedures for (i) identifying and selecting potential nominees for the Board, and (ii) considering all nominees to the Board including those recommended by Shareholders.
13. Developing a long-term succession plan for the Board and annually or as required, identifying and recruiting potential nominees for election or appointment to the Board.
14. Periodically, and not less frequently than annually, undertaking an assessment of the independence of the members of the Board.
15. Periodically undertaking an examination of the size of the Board and each Board committee, with a view to determining the impact of the number of Directors on the effectiveness of the Board and its committees in fulfilling their responsibilities, and recommending to the Board, if necessary, a reduction or increase in the size of the Board or any Board committee.
16. Annually or as required, recommending to the Board the individual Directors to serve on (or to depart from) the standing committees of the Board.
17. Annually (i) assessing the effectiveness of the Board appointment/nomination process at achieving the objectives of the Diversity Policy and (ii) considering and, if determined advisable, recommending to the Board for adoption, measurable objectives for achieving diversity on the Board.
18. Making recommendations to the Board with respect to the appointment of a Chair of each committee, the Chair of the Board, the Lead Director (if applicable), the Chief Executive Officer and Senior Management of the Company.

## **Articles**

The Company's Articles include Advance Notice Provisions and provisions related to forum selection. A copy of the Articles may be obtained by contacting the Company and are available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). For additional details regarding the content of the Company's Advance Notice Provisions, see "Matters to be Acted Upon at Meeting – Advance Notice Provisions".

## **MANAGEMENT CONTRACTS**

No management functions of the Company are performed to any degree by a person other than the Directors or executive officers of the Company.

## **OTHER BUSINESS**

The management of the Company and the Directors are not aware of any matters intended to come before the Meeting other than those items of business set forth in the attached Notice of Meeting accompanying this Circular. If any other matters properly come before the Meeting, it is the intention of the persons designated by management in the form of proxy to vote in respect of those matters in accordance with their judgment.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided in the Annual Financial Statements and MD&A for its most recently completed financial year.

Shareholders may request copies of the Company's Annual Financial Statements and MD&A by contacting the Senior Director, Investor Relations of the Company at 130 Royal Crest Court, Markham, Ontario, L3R 0A1, Telephone (905) 946-1200.

\* \* \* \* \*

**DIRECTORS' APPROVAL**

The contents and the sending of this Circular have been approved by the Board of the Company.

Dated as of March 28, 2022.

*(signed) "Anthony Truesdale"*

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Anthony Truesdale  
Chair of the Board

## APPENDIX A

### PET VALU HOLDINGS LTD.

#### BOARD OF DIRECTORS MANDATE

**Effective Date:** June 30, 2021

#### 1. Purpose

The members of the Board of Directors (the “**Board**”) are responsible for the stewardship of Pet Valu Holdings Ltd. (the “**Company**”). The Board, directly and through its committees and the chair of the Board (the “**Chair**”) (and, if applicable, the lead director of the Board (the “**Lead Director**”), shall supervise the management of the business and affairs of the Company, generally through the Chief Executive Officer, to pursue the best interests of the Company.

#### 2. Membership

##### ***Number of Members***

Subject to compliance with applicable law, the Company’s constating documents, and any agreements or other arrangements concerning the size of the Board, the Board shall be comprised of such number of members as determined by the Board from time to time.

##### ***Independence of Members***

A majority of the members of the Board shall be independent within the meaning of the provisions of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as may be amended from time to time.

##### ***Term of Members***

At each annual meeting of the Company’s shareholders, the Board must permit shareholders to vote on the election of all members of the Board. Each member of the Board shall serve until the member resigns, ceases to be qualified for service as a member of the Board or is removed in compliance with applicable law.

##### ***Chair of the Board***

Subject to compliance with any agreements or other arrangements concerning such matter, the members of the Board shall designate a Chair by majority vote of the full Board membership, following consideration of the recommendation of the governance and nominating committee of the Board (the “**Governance and Nominating Committee**”).

The Chair shall be an independent member of the Board, unless the Board determines that it is in the best interests of the Company to not require the Chair to be independent, in which case the independent directors shall select from among their number, following consideration of the recommendation of the Governance and Nominating Committee, a further director who will act as “Lead Director”.

In the absence of the Chair, the Lead Director shall chair any meeting of the Board and in the absence of both the Chair and the Lead Director, the members of the Board present may appoint a chair from their number for such meeting.

## **General**

Each director must have an understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors are expected to have read and considered, in advance of each meeting, the materials sent to them and to actively participate in the meetings.

Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Governance and Nominating Committee.

Directors may serve on the board of directors of other public issuers so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of directors of another public issuer.

Each director must comply with, and conduct business in accordance with the Code (as defined herein) that governs the behaviour of employees, directors and officers, including advising the Board of any conflicts, or potential conflicts of interest, and abstaining from voting on matters in which the director has an interest.

### **3. Meetings**

#### ***Number of Meetings***

The Board shall meet as often as the Board considers appropriate to fulfill its responsibilities, but in any event at least four times per year.

#### ***Attendance***

Each director is expected to attend all meetings of the Board and any Board committee of which he or she is a member, except in exceptional circumstances. A director may participate in a meeting in person or by telephone or other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other.

#### ***Quorum***

No business may be transacted by the Board at a meeting unless a quorum of the Board is present, as specified in the Company's Articles, in person or by telephone or other electronic means that permits all persons participating in the meeting to speak and hear each other.

#### ***Secretary and Minutes***

The Corporate Secretary, his or her designate, or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained in sufficient detail to convey the substance of all discussions held and shall be, on a timely basis, subsequently presented to the Board for approval.

#### ***Attendance of Non-Members***

The Board may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

### ***Meetings of Independent Directors***

As part of each meeting of the Board, the independent directors shall hold an *in camera* session, at which management and non-independent directors are not present, and the agenda for each Board meeting will afford an opportunity for such a session. The independent directors may also, at their discretion, hold *ad hoc* meetings that are not attended by management and non-independent directors.

### ***Access to Management and Books and Records***

The Board shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the Company's management and employees and the books and records of the Company.

## **4. Responsibilities**

The Board shall have the specific functions and responsibilities outlined below and may delegate any such responsibilities to a committee of the Board. In addition to these functions and responsibilities, the Board shall perform the functions and responsibilities required of a Board by the Company's governing corporate statute, applicable Canadian securities laws, any exchange upon which securities of the Company are listed, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "**Applicable Requirements**") or as the Board otherwise deems necessary or appropriate.

### ***Strategic Planning***

#### **(a) Strategic Plans**

The Board has adopted a strategic plan for the Company. The Board shall periodically review and, if advisable, approve the Company's strategic planning process and, at least annually, review and, if advisable, approve the Company's strategic planning process and short- and long-term strategic and business plans prepared by management. In discharging this responsibility, the Board shall review the plans in light of management's assessment of emerging trends, the competitive environment, the capital markets, the significant business practices and products, the opportunities and risks for the businesses of the Company, and industry practices.

#### **(b) Business and Capital Plans**

The Board shall periodically review and, if advisable, approve the policies and processes generated by management relating to the authorization of major investments and significant allocations of capital and, at least annually, review and, if advisable, approve the Company's annual business and capital plans.

#### **(c) Monitoring**

The Board shall periodically review management's implementation of the Company's strategic, business and capital plans and review and, if advisable, approve any material amendments to, or variances from, such plans.

### ***Risk Management***

#### **(d) Identification and Management of Risks**

The Board shall oversee the development by management of a comprehensive risk management program. At least annually, the Board shall review reports provided by management and committees of the Board on the principal risks associated with the Company's business and operations, review the implementation by management of appropriate systems to identify, assess, manage and mitigate these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

**(e) Verification of Controls**

The Board shall verify that appropriate internal, financial, non-financial and business control and management information systems have been established, and are being maintained, by management.

***Financial Information and Internal Controls***

**(f) Financial Reporting**

The Board shall oversee the financial reporting and disclosure obligations imposed on the Board, the Company and Senior Management (as defined herein) by laws, regulations, rules, policies and other applicable requirements. The Board shall oversee the integrity of the Company's management information systems.

**Internal Controls**

The Board shall oversee the effectiveness of the Company's internal controls and the preparation of, and processes relating to, reports and attestations with respect to the Company's internal control and disclosure control procedures. The Board shall obtain reasonable assurance that due diligence processes and controls in connection with the Company's annual and interim filings are in place and monitor their continued effectiveness.

**(g) Approval of Annual Financial Reports**

The Board shall, with the assistance of the audit committee of the Board (the "**Audit Committee**"), review the annual consolidated audited financial statements of the Company, the independent auditors' report thereon and, if required pursuant to the Applicable Requirements, the related management's discussion and analysis of the Company's financial condition and financial performance ("**MD&A**"), as well as the Audit Committee's recommendations in respect of the approval thereof. After completing its review, if advisable, the Board shall approve the annual financial statements and, if applicable, the related MD&A.

**(h) Approval of Interim Financial Reports**

If required pursuant to the Applicable Requirements, the Board shall review the interim consolidated financial statements of the Company, the independent auditors' review report thereon and the related MD&A, as well as the Audit Committee's recommendations in respect of the approval thereof. After completing its review, if advisable, the Board shall approve the interim financial statements and, if applicable, the related MD&A.

**(i) Nomination of External Auditors**

The Board shall review the recommendations of the Audit Committee concerning the external independent auditors to be nominated and, if advisable, approve such nomination.

**(j) Policies for Pre-Approval of Non-Audit Services**

The Board shall review the recommendations of the Audit Committee concerning the policies and procedures for the retainer of the Company's external independent auditors to perform any non-audit service for the Company or its subsidiary entities and, if advisable, approve, with or without modifications, such policies and procedures.

## **Human Resource Management**

### **(k) Chief Executive Officer**

The Board shall review the recommendations of the compensation committee of the Board (the “**Compensation Committee**”) concerning the organizational goals and objectives relevant to Chief Executive Officer compensation and, if advisable, approve, with or without modifications, such goals and objectives.

The Board shall review the recommendations of the Compensation Committee concerning (i) the appointment and other terms of employment (including any severance arrangements or plans and any benefits to be provided in connection with a change in control) for the Chief Executive Officer, including the adoption, amendment and termination of such agreements, arrangements or plans and, if advisable, approve, with or without modifications, such appointment and other terms of employment and (ii) the Chief Executive Officer’s compensation level and, if advisable, approve, with or without modifications, such compensation.

### **(l) Senior Management**

The Board shall review the recommendations of the Compensation Committee concerning the appointment of the Chief Financial Officer, all senior management reporting directly to the Chief Executive Officer and all other officers appointed by the Board (collectively “**Senior Management**”) and, if applicable and advisable, after consideration of the objectives of the Diversity Policy, is applicable, approve any such appointment.

The Board shall review the recommendations of the Compensation Committee respecting the compensation and other terms of employment (including any severance arrangements or plans and any benefits to be provided in connection with a change in control) of members of Senior Management and, if advisable, approve, with or without modifications, such compensation and other terms of any employment agreements and any severance arrangements or plans.

### **(m) Succession Review**

At least annually, the Board shall review the succession plans of the Company for the Chair and, if applicable, the Lead Director. The Board shall also periodically review the recommendations of the Compensation Committee with respect to succession planning matters concerning the Chief Executive Officer and other members of Senior Management, as well as general executive development programs, and, after consideration of the objectives of the Diversity Policy, if applicable, develop the succession plans of the Company.

### **(n) Integrity of Senior Management**

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other members of Senior Management and that the Chief Executive Officer and other members of Senior Management strive to create a culture of integrity throughout the Company.

### **(o) Director Remuneration**

The Board shall review the recommendations of the Governance and Nominating Committee concerning the remuneration (fees and/or retainer) to be paid to, and the benefits to be provided, to members of the Board for service in applicable capacities and, if advisable, approve, with or without modifications, such remuneration.

**(p) Equity-Based Compensation Plans**

The Board shall review the recommendations of the Compensation Committee concerning the adoption or amendment of equity-based compensation plans of the Company and, if advisable, approve, with or without modifications, the adoption or amendment of such plans.

***Nomination Matters***

**(q) General**

The Governance and Nominating Committee is responsible for recommending candidates for Board membership, in accordance with the mandate of the Governance and Nominating Committee. The Board shall periodically review reports of the Governance and Nominating Committee concerning nomination matters.

**(r) Nominee Identification**

The Board shall review the recommendations of the Governance and Nominating Committee concerning the potential nominees for election or appointment to the Board and, after considering (i) the results of the Board and director effectiveness evaluation process, (ii) the competencies, skills and other qualities that the Governance and Nominating Committee considers to be necessary for the Board as a whole to possess, the competencies, skills and other qualities that the Governance and Nominating Committee considers each existing director to possess, and the competencies, skills and other qualities each new nominee would bring to the boardroom, (iii) the amount of time and resources that nominees have available to fulfill their duties as Board members, (iv) the objectives of the Diversity Policy, if applicable, and (v) any applicable independence, residency and/or other requirements, approve, if advisable, with or without modifications, the individual nominees for consideration by, and presentation to, the shareholders at the Company's next annual meeting of shareholders or appointment to the Board between such meetings.

**(s) Committees of the Board**

The Board shall annually evaluate the performance, and review the work, of its committees. The Board shall annually, or as otherwise required or deemed advisable, review the recommendations of the Governance and Nominating Committee concerning the individual directors to serve on (or to depart from) the committees of the Board and, after considering (i) the qualifications for membership on each committee, (ii) the extent to which there should be a policy of periodic rotation of directors among the committees, and (iii) the number of boards and other committees on which the directors serve, approve the appointment of such directors to (or departure from) the committees as the Board deems advisable.

**(t) Director Independence**

The Board shall periodically review the Board's and the Board committees' ability to act independently from management in fulfilling their responsibilities and in doing so the Board shall (i) review the application and evaluation by the Governance and Nominating Committee of the director independence standards applicable to members of the Board and (ii) review the recommendations of the Governance and Nominating Committee concerning a reduction or increase in the number of independent directors and, if advisable, approve, such reduction or increase.

## **Board and Committee Size**

The Board shall review the recommendations of the Governance and Nominating Committee concerning a reduction or increase to the size of the Board or any Board committee and if advisable, approve, such a reduction or increase.

### **(u) Board Renewal**

The Board shall review the recommendations of the Governance and Nominating Committee concerning mechanisms of Board renewal, and if advisable, approve, with or without modifications, the adoption of any such mechanisms. The Company has a director tenure policy, under which the maximum period of time a director can be on the Board is the earlier of 12 years after joining the Board or 75 years of age. A director would not stand for re-election at the annual meeting of the Company's shareholders following that event. The Governance and Nominating Committee might recommend a director for re-election after the expiry of their maximum term if it is in the best interests of the Company to do so.

### **(v) Diversity Policy**

If required pursuant to the Applicable Requirements, the Board will adopt a diversity policy (the "**Diversity Policy**"). If applicable, the Board shall review any recommendations of the Governance and Nominating Committee concerning the adoption of measurable objectives for achieving diversity on the Board and if advisable, approve, with or without modifications, the adoption of any such objectives.

### **(w) Majority Voting**

If required pursuant to the Applicable Requirements, the Board will adopt a Majority Voting Policy. If applicable, the Board shall review the recommendations of the Governance and Nominating Committee concerning resignations of directors pursuant to the Company's Majority Voting Policy in respect of the election of directors and if advisable, accept or reject any such resignation, in accordance with the terms of the Company's Majority Voting Policy.

## **Corporate Governance**

### **(x) General**

The Board shall periodically review reports of the Governance and Nominating Committee concerning corporate governance matters.

### **(aa) Position Descriptions**

The Board has approved or will approve position descriptions for the Chair, the Lead Director (if any), the Chief Executive Officer, and the chair of each Board committee which will specify the responsibilities and duties of such offices, and shall be reviewed with the assistance of the Governance and Nominating Committee, as appropriate. The Board shall periodically review the recommendations of the Governance and Nominating Committee concerning changes to such position descriptions and if advisable, approve, with or without modifications, the adoption of any such changes.

### **(bb) Governance Policies**

The Board has adopted a Disclosure Policy, Insider Trading Policy, Whistleblowing Policy, Equity Ownership Policy and Clawback Policy and similar or other governance policies of the Company. The Board shall periodically review

the recommendations of the Governance and Nominating Committee concerning changes to such policies or the adoption of such further governance policies and if advisable, approve, with or without modifications, the adoption of any such changes or new governance policies.

**(cc) Board of Directors Mandate Review**

The Board shall periodically review the recommendations of the Governance and Nominating Committee concerning changes to this Mandate and if advisable, approve, with or without modifications, the adoption of any such changes.

**(dd) Committees of the Board**

The Board has established an Audit Committee, a Compensation Committee and a Governance and Nominating Committee. Subject to applicable law, the Board may establish other Board committees or merge or dissolve any Board committee at any time.

The Board has delegated to each Board committee those responsibilities set out in each Board committee's mandate and shall approve mandates for any new Board committee. The Board shall periodically review the recommendations of the Governance and Nominating Committee concerning changes to the mandates for each Board committee and if advisable, approve, with or without modifications, the adoption of any such changes.

The Board shall annually, or as otherwise required or deemed advisable, review the recommendations of the Governance and Nominating Committee concerning the individual directors to serve on the standing committees of the Board and, after considering (i) the qualifications for membership on each committee, (ii) the extent to which there should be a policy of periodic rotation of directors among the committees, and (iii) the number of boards and other committees on which the directors serve, approve the appointment of such directors to the committees as the Board deems advisable.

The chair of each Board Committee shall serve a maximum term of five years. The Board may approve an extension of the maximum term if it is in the best interests of the Company to do so.

**(ee) Ethics Reporting**

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code**") applicable to directors, officers and employees of the Company. On an annual basis, the Board shall review the recommendations and reports of the Governance and Nominating Committee regarding the adequacy of the Code and compliance with, waivers and material departures from, and investigations and any resolutions of complaints received under, the Code by employees, officers or directors. The Board shall also review the recommendations of the Governance and Nominating Committee concerning changes to the Code and if advisable, approve, with or without modifications, the adoption of any such changes.

**(ff) Director Development and Evaluation**

Each new director shall participate in the Company's initial orientation program and each director shall participate in the Company's continuing education programs. At least annually, the Board shall, with the assistance of the Governance and Nominating Committee, review the adequacy of the orientation and continuing education program for members of the Board, and review the recommendations of the Governance and Nominating Committee concerning proposed changes to the Company's orientation and continuing education programs for members of the Board and if advisable, approve, with or without modifications, the adoption of any such changes.

## **Communications**

### **(gg) General**

The Board has adopted a Disclosure Policy for the Company. If consensus cannot be reached at a meeting of the disclosure committee created pursuant to the Disclosure Policy, the Board shall consider the matter.

### **(hh) Shareholders**

If required pursuant to the Applicable Requirements, the Company will inform the Company's shareholders of its progress through an annual report, annual information form, quarterly interim reports and periodic press releases. Directors and management meet with the Company's shareholders at the annual meeting and are available to respond to questions at that time.

In addition, the Company shall maintain on its website a contact email address that will permit the Company's shareholders to provide feedback directly to the Chair or, in the event the Board has determined it is in the best interests of the Company to not require the Chair to be independent, the Lead Director.

## **5. Outside Advisors**

The Board shall have the authority to retain and terminate, from a source independent of management, external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

## **6. No Rights Created**

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles, it is not intended to establish any legally binding obligations.

## APPENDIX B

### PET VALU HOLDINGS LTD.

#### AUDIT COMMITTEE MANDATE

**Effective Date:** June 30, 2021

##### 1. Purpose

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Pet Valu Holdings Ltd. (the “**Company**”) is to exercise the responsibilities and duties set out in this Mandate, including to assist the Board in its oversight of (1) the integrity of the Company’s financial statements, (2) the Company’s compliance with legal and regulatory requirements, (3) the independent auditors’ qualifications and independence, (4) the performance of the Company’s independent auditors, (5) the review and oversight of the Company’s control environment, and (6) the design and implementation of the Company’s internal audit function and the performance of the internal audit function after it has been established.

The Committee’s role is one of oversight. Management is responsible for the preparation, presentation and integrity of the Company’s financial statements and financial disclosures, design and execution of the control environment and for the appropriateness of the accounting principles and the reporting policies used by the Company. The independent auditors are responsible for auditing the Company’s annual consolidated financial statements and reviewing the Company’s unaudited interim financial statements. It is not the responsibility of the Committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate or are in compliance with International Financial Reporting Standards (“**IFRS**”).

##### 2. Composition

The Committee shall be comprised of not less than three members of the Board. Each member of the Committee must be independent in accordance with applicable requirements established by the *Business Corporations Act* (British Columbia), National Instrument 52-110 – *Audit Committees*, as may be amended or replaced from time to time, the rules and regulations of any exchange on which securities of the Company are traded and any other regulator or governmental authority having jurisdiction over the Company from time to time (the “**Applicable Requirements**”), provided however that the Company may avail itself of any exemption available pursuant to the Applicable Requirements.

Each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

Each member of the Committee shall be appointed annually by the Board and shall serve at the discretion of the Board until the member resigns, is removed or ceases to be a member of the Board. Any vacancies on the Committee shall be filled by the Board. The Committee Chair shall be appointed by the Board on the recommendation of the Governance and Nominating Committee, provided that if the Board does not so appoint a Committee Chair, the members of the Committee shall designate a Committee Chair by majority vote of the full Committee membership.

In the absence of the Committee Chair at a meeting of the Committee, the members of the Committee present may appoint a chair from their number for such meeting.

### **3. Meetings and Operations**

The Committee will meet as often as the Committee considers appropriate to fulfill its responsibilities, but in any event at least once during each fiscal quarter. Meetings may be called by the Committee Chair, any member of the Committee, the independent auditors, the chair of the Board (if any), the lead director of the Board (if any), the Chief Executive Officer or the Chief Financial Officer. The Committee Chair will, in conjunction with appropriate members of the Committee and management, establish the meeting calendar and set the agenda for each meeting.

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present in person or by telephone or other electronic means that permits all persons participating in the meeting to speak and hear each other. A majority of the members of the Committee shall constitute a quorum.

The independent auditors are entitled to receive notice of, to attend and be heard at each Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

The Committee must meet at least once a year, in separate sessions, with each of management, the independent auditors and the Company personnel primarily responsible for the design and implementation of the internal audit function (once established). With respect to Committee meetings with the independent auditors, the Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Committee.

In connection with each meeting of the Committee, the Committee shall hold an *in camera* session, at which management and non-independent directors of the Board are not present, and the agenda for each Committee meeting will afford an opportunity for such a session.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such information as the Committee requests.

The Committee shall maintain minutes or other records of meetings and activities of the Committee. Following each of its meetings, the Committee Chair shall report at the next regularly scheduled meeting of the Board, as required by the Applicable Requirements or as deemed necessary by the Committee or as requested by the Board, on material matters arising, or significant issues considered, at Committee meetings, including any issues as to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, management's responsibility for assessing and reporting on the effectiveness of internal control over financial reporting and disclosure controls and procedures, the performance and independence of the Company's independent auditors, or the performance of the Company's internal audit function, if the Company has established an internal audit function, and such other matters delegated by the Board, and where applicable, shall present the Committee's recommendation to the Board for its approval.

The time and place of the Committee meetings and the further procedures for such meetings not otherwise specified in this Mandate shall in all respects be determined by the Committee, in accordance with the Applicable Requirements.

### **4. Responsibilities and Duties**

The Committee shall have the following responsibilities and duties:

## **Financial Reporting and Disclosure**

- (a) To oversee the accounting and financial reporting processes of the Company and the audits of the financial statements.
- (b) To review the annual consolidated audited financial statements of the Company, the independent auditors' report thereon and, if required pursuant to the Applicable Requirements, the related management's discussion and analysis of financial condition and financial performance ("MD&A"), and, after completing its review, if advisable, recommend for Board approval such annual financial statements and the related MD&A.
- (c) To review the interim consolidated financial statements of the Company, the independent auditors' review report thereon and, if required pursuant to the Applicable Requirements, the related MD&A, and, after completing its review, if advisable, recommend for Board approval such interim financial statements and any related MD&A.
- (d) In conducting its review of the annual financial statements or the interim financial statements and any related MD&A, the Committee shall:
  - (i) meet with management and the independent auditors, as applicable, to discuss the financial statements and, if applicable, the MD&A;
  - (ii) review the disclosures in the financial statements;
  - (iii) review the audit report or report prepared by the independent auditors;
  - (iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the Company's financial statements;
  - (v) regularly review the Company's critical accounting policies followed and critical accounting and other significant estimates, judgments and reserves underlying the financial statements as presented by management, including reviewing with the auditors alternative accounting treatments under applicable accounting principles discussed with management and the effects on the financial statements of same;
  - (vi) consider the effect of significant accounting principles followed and financial statement presentations, including any significant changes to the Company's selection or application of accounting principles and alternative treatments under IFRS;
  - (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
  - (viii) consider the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
  - (ix) inquire at least annually of both management, accounting group and the independent auditors as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies;
  - (x) review management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;

- (xi) review significant recorded and unrecorded audit adjustments;
  - (xii) review with management any significant changes in IFRS, as well as emerging accounting and auditing issues, and their potential effects;
  - (xiii) review management's report on the effectiveness of internal controls over financial reporting and disclosure controls and procedures, including major issues as to their adequacy and any special audit steps adopted in light of material control deficiencies;
  - (xiv) review analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues;
  - (xv) review any material effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements as presented by management, including requirements relating to complex or unusual transactions;
  - (xvi) review with management matters that may have a material effect on the financial statements;
  - (xvii) review factors identified by management as factors that may affect future financial results;
  - (xviii) review responses received under the Internal Reporting Procedures (as defined below); and
  - (xix) review any other matters related to the Company's financial statements that are brought forward by the independent auditors or management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.
- (e) To review and, if advisable, recommend for Board approval, financial disclosure in a prospectus or other securities offering document of the Company, the Annual Information Form of the Company, as well as earnings press releases.
  - (f) The Committee is responsible for ensuring that satisfactory procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assessing those procedures.

***Company Policies and Compliance***

- (g) To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's present and former external auditors.
- (h) To review reports from the Chief Legal Officer and General Counsel on: (i) any significant legal, compliance, or regulatory matters that may have a material impact on the Company's financial statements and financial condition; (ii) the effectiveness of the Company's compliance policies; and (iii) any material communications received from regulators or governmental agencies that raise issues regarding the Company's financial statements or continuous disclosure.
- (i) To review with management the status of material tax matters for the Company and its subsidiaries.
- (j) To review with management tax assessments that could have a material effect upon the financial position or operating results of the Company, and the manner in which these matters are disclosed in the financial statements.

- (k) To review management’s evaluation of and representations relating to compliance with specific applicable law and guidance, and management’s plans to remediate any deficiencies identified.
- (l) To adopt as directed by the Board and upon adoption oversee the Company’s Policy on Related Party Transactions and review and approve, ratify or disapprove all related party transactions as required by such policy, including all payments to be made pursuant to any related party transactions involving executive officers and members of the Board, and the Committee shall consider the results of any review of the Policy on Related Party Transactions by the independent auditors.
- (m) With the assistance of the Governance and Nominating Committee, to develop, as directed by the Board, and oversee the Company’s Business Conduct and Compliance Program, including a Company Code of Business Conduct and Ethics (collectively, the “Code”), and, at least annually, meet to review the implementation and effectiveness of the Company’s legal and ethical compliance programs with the Chief Legal Officer and General Counsel.
- (n) To establish, as directed by the Board, and periodically monitor, procedures in compliance with applicable law for (i) the receipt, retention, and treatment of complaints received by the Company and submitted to the Committee, whether through the whistleblower hotline or otherwise, regarding questionable accounting, internal accounting controls, or auditing matters (the “Internal Reporting Procedures”).
- (o) To review any complaints or concerns that are received through the Internal Reporting Procedures on a quarterly basis and, if the Committee determines that the matter requires further investigation, to direct the Committee Chair to engage outside advisors, as necessary or appropriate, to investigate the matter and to work with management and the Chief Legal Officer and General Counsel to reach a satisfactory conclusion.

***Risk Management***

- (p) To provide oversight and review of the Company’s risk management processes for identification and assessment of the principal risks to the operations of the Company.
- (q) To review and recommend to the Board for approval the Company’s Risk Management Program, pursuant to which the Committee will be responsible for determining that the Company has in place an effective process for identifying, assessing, managing and monitoring key risks in the business on a continuous basis as the business evolves, with a view to achieving a proper balance between risks incurred and potential return to holders of securities of the Company and to the long-term viability of the Company.
- (r) To:
  - (i) at least annually, require management to report to the Committee and to review reports prepared by management that assess the risks in the business (including appropriate crisis preparedness, business continuity, information system controls, cybersecurity and disaster recovery plans), identify the risk controls that are in place to mitigate and manage these risks and the appropriate degree of risk mitigation and control, overall compliance with and the effectiveness of the Company’s Risk Management Program;
  - (ii) periodically monitor risk and risk management capabilities within the Company including crisis preparedness, business continuity and disaster recovery plans; and
  - (iii) at least annually, report to the Board on its review of the Company’s Risk Management Program, including with respect to the principal risks faced by the Company, the steps implemented by

management to manage these risks and an assessment of whether the program is being followed and is effective.

- (s) To review quarterly reports from management containing its assessment of the adequacy of the Company's computerized information system controls and security and related risks, including cybersecurity and data protection risk.
- (t) To review the adequacy and quality of insurance coverages maintained by the Company and approve new insurance coverage and renewals thereof, as applicable.

#### ***Independent Auditors***

- (u) To review and, if advisable, recommend for Board approval the independent auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company and to approve the compensation of the independent auditors. The Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan. The Company's independent auditors shall report directly to the Committee.
- (v) To approve in advance all audit and permitted non-audit services to be provided by the independent auditors to the Company or its subsidiary entities that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures and adopt and implement policies for such pre-approval. The Committee shall consider the impact of such service and fees on the independence of the auditors.
- (w) To review, at least annually, a summary of the independent auditors' annual audit plan. The Committee shall consider and review with the auditors any material changes to the scope of the plan.
- (x) To establish and maintain a policy under which all requests for permitted non-audit services to be provided by the independent auditors shall be brought to the attention of the Committee Chair before such work is commenced. The Committee Chair is authorized to approve all such requests, but if any such service exceeds or is expected to exceed \$200,000 in fees, or the service is of a sensitive or unusual nature, the Committee Chair shall consult with the Committee before approving the service. The Committee Chair has the responsibility to inform the Committee of all pre-approved services at its next Committee meeting.
- (y) To review a report prepared by the independent auditors in respect of each of the interim financial statements of the Company.
- (z) To assess the effectiveness of the working relationship of the independent auditors with management and resolve any disagreements between management and the independent auditors as to financial reporting matters brought to its attention.
- (aa) To meet regularly with the independent auditors in the absence of management to discuss any restrictions that may have been placed on the scope and extent of the audit examinations by the independent auditors or the reporting of their findings to the Committee.
- (bb) To review all issues related to a proposed change of the independent auditors, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition.
- (cc) To review all reportable events, including disagreements, unresolved issues and consultations with the independent auditors, whether or not there is to be a change of independent auditors.

- (dd) To monitor and evaluate the qualifications, performance, and independence of the independent auditors on an ongoing basis, and, in conducting such evaluations, to:
  - (i) receive, at least annually, an oral and/or written report from the external auditors describing their internal quality assurance policies and procedures as well as any material issues raised in the most recent internal quality assurance reviews, quality reviews conducted by the Canadian Public Accountability Board, or any inquiry or investigation conducted by government or regulatory authorities;
  - (ii) obtain written confirmation from the independent auditors, and to affirm that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the independent auditors belong and other Applicable Requirements;
  - (iii) at least annually, review and evaluate the qualifications, performance, and independence of the lead audit partner of the independent auditors;
  - (iv) discuss with management the timing and process for implementing the rotation of the lead audit partner, the concurring partner, and any other active audit engagement team partner and consider whether there should be a regular rotation of the audit firm itself; and
  - (v) discuss with the independent auditors any material written communications between the independent auditors and management, such as any “management” letter or schedule of unadjusted differences.
- (ee) Provide the independent auditors and the internal auditors (if implemented) with access to the Board, including access without representatives of management present.
- (ff) To periodically discuss with the independent auditors such other matters as are required by applicable auditing standards to be discussed by the independent auditors with the Committee.

### ***Internal Audit***

- (gg) The Committee should:
  - (i) discuss with management its plans with respect to the responsibilities, budget and staffing of the internal audit function and its plans for the implementation of the internal audit function; and
  - (ii) review with the Board management’s activities with respect to the design and implementation of the internal audit function.
- (hh) If the Company has established an internal audit function, the Committee should:
  - (i) review and concur with management’s appointment, termination or replacement of the head of the internal audit function and the selection of vendors for any outsourcing of the internal audit function;
  - (ii) confirm with the head of the internal audit function that he or she is aware of his or her obligation to report directly to the Committee on matters affecting the Committee’s duties, irrespective of his or her other reporting relationships;
  - (iii) review the resources, adequacy, authority and independence of the internal audit function;

- (iv) review proposed internal audit plans, receive reports on and review the results of internal audits and examinations conducted by the internal audit function with respect to those controls that mitigate strategic, financial and operational risks and any other matters appropriate to the Committee's duties, and the remediation status of internal audit findings; and
- (v) direct management to make changes that the Committee deems advisable in respect of the internal audit function.

### ***Internal Controls***

- (ii) To review the Company's system of internal controls.
- (jj) To require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure controls and procedures, and to review these controls and procedures and, at least annually, to consider and review with management and the independent auditors:
  - (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls and procedures (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
  - (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings, if such filings are required pursuant to the Applicable Requirements;
  - (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
  - (iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
  - (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls and procedures.

### ***General***

- (kk) To, annually, review this Mandate and recommend changes to the Mandate for Board approval.
- (ll) To, annually, evaluate the performance of the Committee in light of this Mandate in accordance with the evaluation process developed by the Governance and Nominating Committee, and implement any changes in its own performance suggested by such review.
- (mm) To perform any other responsibilities the Board specifically delegates to the Committee, in each case subject to the limitations on the Board or any committee thereof contained in the Company's Certificate of Incorporation or the Applicable Requirements, as each is in effect from time to time.

- (nn) In addition to any of the functions and responsibilities noted within this Mandate, the Committee shall perform the functions and duties required of an audit committee by any Applicable Requirements.

#### ***Audit Committee Disclosures***

- (oo) To prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

#### **5. Delegation to Subcommittee**

To the extent permitted by the Applicable Requirements, the Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. The Committee may, in its discretion, delegate to the Committee Chair the authority to pre-approve any audit or non-audit services to be performed by the independent auditors. Any actions taken pursuant to any such delegations shall be reported to the full Committee at its next scheduled Committee meeting.

#### **6. Resources and Authority of the Committee**

The Committee shall have unrestricted access to management and employees and the books and records of the Company, and, from time to time may hold unscheduled or regularly scheduled meetings or portions of meetings in executive session or otherwise with the independent auditors, the Chief Financial Officer, the Chief Executive Officer and the Chief Legal Officer and General Counsel.

The Committee will have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, advisors, accountants or other experts and advice from a source independent of management, at the expense of the Company, with notice to either the chair of the Board (if any) or the Chief Executive Officer, as it deems appropriate to carry out its duties. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors.