

**Pets at Home Group Plc (the “Company”)**

**TERMS OF REFERENCE**

**PETS BEFORE PROFIT**

**COMMITTEE**

The Pets Before Profits Committee of the board of directors of the Company (the “Board”) has been established with delegated powers in accordance with the articles of association.

**1. Membership**

- 1.1 The Pets Before Profits Committee shall consist of at least five members (the “Committee”), each of whom shall be appointed by the Board on the recommendation of the Nomination and Corporate Governance Committee of the Board.
- 1.2 The Committee will comprise at least three independent non-executive directors and at least three Group colleague members (who shall not be directors of the Company). The Chairman of the Board may also serve on the Committee as an additional member.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extendable by no more than two additional three year periods, provided the director still meets the criteria for membership of the Committee.
- 1.4 The Board shall appoint the Committee Chairman from the independent non-executive director members. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not be Committee Chairman.
- 1.5 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chairman of the Board, the Chief Executive Officer and external advisers may be invited to attend all or any part of any meeting as and when appropriate and necessary.

**2. Secretary**

- 2.1 The Company Secretary or his or her nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

**3. Quorum**

The quorum necessary for the transaction of business shall be a majority of members present in person or linked by telephone or video conference facilities. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

#### 4. **Frequency of meetings**

The Committee shall meet at least four times a year and at such other times as its business requires as determined by its members or the Chairman.

#### 5. **Notice of meetings**

5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members.

5.2 The Secretary of the Committee shall give notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and any supporting documentation to each member of the Committee and any other person required to attend no later than three working days before the date of the meeting.

#### 6. **Minutes of meetings**

6.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.

6.2 Minutes of Committee meetings should be circulated promptly to all members of the Committee and, once agreed, circulated to all members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.

#### 7. **Authority**

7.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

7.2 The Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice on matters within its terms of reference.

#### 8. **Responsibilities**

8.1 The Committee shall:

##### ***On Pets Before Profits***

- (a) monitor, review and consider welfare standards for all pets:
  - (i) sold within or adopted from the Group's stores;
  - (ii) assigned to the Group's care either in the grooming salons or veterinary surgeries including the joint venture practices and the specialist referral centres;
- (b) monitor, review and ensure compliance with legislation covering the sale of pets in store, the welfare of pets in general and the practice of veterinary medicine;
- (c) monitor, review and where appropriate engage in and exercise influence over the development of legislation which will affect the sale of live pets in store the welfare of pets in general and the practice of veterinary medicine;
- (d) monitor, review and consider customer and colleague feedback in respect of pet welfare standards in stores, grooming and the Group's veterinary surgeries including the joint venture practices and the specialist referral centres;

- (e) monitor, review and consider all ethical matters in respect of supply, transportation and sale of pets including the supplier audits;
- (f) monitor, review and consider the impact of public relations, social media and media on the Group;
- (g) monitor, review and consider compliance with the Group's pet processes to include store audits, SAI Global Audits and test purchases;
- (h) monitor, review and consider the clinical practice standards in place in the Group's veterinary surgeries including the joint venture practices and the specialist referral centres;

## 9. **Reporting responsibilities**

- 9.1 The Committee Chairman and/or any other member so nominated by the Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board or the Audit and Risk Committee it deems appropriate on any area within its remit where action or improvement is needed.

## 10. **Other matters**

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (c) at least once a year review its own performance, constitution and terms of reference to ensure it is operating appropriately and recommend any changes it considers necessary to the Board for approval; and
- (d) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, the Companies Act 2006 and the requirements of the UK Listing Authority's Listing Authority and any other applicable rules, as appropriate.

Approved by the Board on 6<sup>th</sup> July 2016.