PET VALU HOLDINGS LTD.

NOTICE OF
ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON
MAY 9, 2023

AND

MANAGEMENT INFORMATION CIRCULAR

MARCH 23, 2023

PET VALU HOLDINGS LTD.

Notice of Annual General Meeting of Shareholders
May 9, 2023

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/476083958 on May 9, 2023 at **2:00 p.m.** (Toronto time) for the following purposes:

(a) to receive the audited consolidated financial statements for the fiscal year ended December 31, 2022 and the auditor's report thereon, a copy of which is enclosed herewith;

(b) to set the number of directors on the board of directors of the Company (the "**Board**") for the ensuing year at nine (9);

(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 non-binding 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 23, 2023 accompanying this Notice of Meeting (the "**Circular**"). **Shareholders 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/476083958. 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 27, 2023 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 no later than 2:00 p.m. (Toronto time) on May 5, 2023, 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 **petvalu2023** (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 7 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 **petvalu2023** (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 **petvalu2023** (case sensitive).

DATED at Toronto, Ontario this 23rd day of March, 2023.

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 pleased to celebrate with you our achievements in 2022 and share our enthusiasm for 2023 and beyond.

2022 was another exceptional year for Pet Valu Holdings Ltd. ("**Pet Valu**") and our franchise owners. System-wide sales[1] grew over 29%, as we delivered **our third consecutive year of double digit same-store sales growth**[1] and welcomed Chico[2] franchisees into our family. Now with 337 franchisees operating 519 locations, comprising 70% of our total store count, **our franchise network is a major driver behind why we continued to win market share** in 2022 and outpace the robust 10% growth in the Canadian pet industry.[3] Together with our franchise owners, our corporate store Animal Care Experts ("**ACEs**"), supply chain and corporate teams, **we have crafted a winning formula to drive sustainable, long-term growth.** And the not-so-secret ingredient to this formula is our people, who bring passion and commitment to Pet Valu every day, enabling us to deliver exceptional care and expertise to Canada's growing population of pets and devoted pet lovers.

2022 financial and operating results

We continued to execute against each pillar of our growth formula in 2022, while advancing our strategic agenda.

We delivered record expansion of our store network, increasing our network by 111 net new stores, including 48 organic store openings and entry into Quebec through the acquisition of Chico – Quebec's largest pet franchisor operating since 1983. Now with 744 store locations across all 10 provinces, roughly three out of every four Canadians live within five kilometers of a Pet Valu family store, entrenching us as the most convenient pet specialty retailer in the country.

We drove double-digit same-store sales growth, driven by execution across all aspects of our business. We and our franchisees continued to invest proactively in inventory to maintain what we believe are best-in-class in-stock positions. We made data-driven merchandising decisions to enhance our product offering and pricing in the marketplace and we expanded our e-commerce capabilities with the launch of our subscription service, "Autoship".

We positioned our business to capture enhanced operating margins over the long-term, through purposeful investments in physical and human capital. We completed the modernization of our customer facing technology systems, while kickstarting our supply chain transformation. At the same time, we continued to invest in our people through competitive compensation and career development to drive retention and maximize potential.

1 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 ("**MD&A**") for the fiscal year ended December 31, 2022, incorporated by reference herein, for further information on supplementary financial measures, including their definitions.

2 Les Franchises Chico Inc. ("**Chico**") was acquired on February 25, 2022.

3 Statistics Canada: Table 36-10-0225-01 Detailed household final consumption expenditure, provincial and territorial, annual.

From a financial perspective, these achievements manifested into another record year for Pet Valu. **Revenue grew 22.6%** to $951.7 million, fueled by **same-store sales growth of 17.1%**. This translated into **Adjusted EBITDA**[4] **growth of 17.8%** to $214.8 million and **Adjusted Net Income**[4] **growth of 57.0%** to $114.6 million.

What's ahead for Pet Valu?

As we look forward, we are excited for the opportunities that lay ahead for Pet Valu.

We see the potential to add another 500 locations over the next decade, with a robust pipeline already for our 2023 and 2024 openings. We are particularly excited for expansion into Canada's many rural markets, as **our small-scale, franchise-first model provides unique access to pockets of devoted pet lovers** often not currently served by pet specialty retail. There is also a long runway for growth in Quebec through our recently acquired Chico banner with at least another 100+ locations in that province. As we reflect on the first year with Chico, we are incredibly pleased with how the integration has progressed. **Chico franchisees are embracing the many advantages our scale provides**, including 100% franchisee buy-in to our initial proprietary brand launch in the fall of 2022.

We have also embarked on our supply chain transformation. Between 2022 and 2025, **we will invest $110 million to create what we believe will be Canada's strongest pet specialty supply chain.** This transformation will optimize our aging distribution network down from nine facilities to three modern, automated facilities, double our capacity and support our growth over the next 10+ years. We are excited for the first phase of this transformation, with the ramp-up of our new distribution centre in Brampton starting in the second half of 2023.

As our organization grows, so too does our ability to deliver value to all stakeholders, while enhancing our management of material environmental, social and governance ("**ESG**") matters. Grounded in "Our Four Paws" service model, we believe material **ESG matters such as product safety, ACE working environments, franchisee relationships, information security and energy management are naturally embedded into our core strategies** and key business decisions, ultimately creating long-term value for our business. Later this year, we will begin reporting on material ESG matters with the launch of our first ESG report.

In closing, we appreciate your continued interest and investment in Pet Valu. 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"	*"Richard Maltsbarger"*
Chairman of the Board of Directors	President and Chief Executive Officer

[4] This is a non-International Financial Reporting Standards ("**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 for the fiscal year ended December 31, 2022, incorporated by reference herein, for a reconciliation of Adjusted EBITDA 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 (the "**Notice of 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/476083958 on May 9, 2023 at 2:00 p.m. (Toronto time).

FORWARD-LOOKING INFORMATION

This Circular contains "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking information**") within the meaning of applicable securities laws. Forward-looking information may relate to the Company's future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. We have based the forward-looking information on our current expectations and projections about future events and financial trends that we believe might affect our financial condition, results of operations, business strategy and financial needs.

This forward-looking information includes, among other things, statements relating to: intentions with respect to, and the ability to execute, our business plans, strategies and growth prospects, including expectations regarding the growth of our supply chain, performance and expansion opportunities; expectations regarding industry and market trends and challenges; and expectations regarding the timing and content of our environmental, social and governance ("**ESG**") report.

Forward-looking information is based on our opinions, estimates and assumptions in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect and there can be no assurance that actual results will be consistent with the forward-looking information. Given these risks, uncertainties and assumptions, readers should not place undue reliance on the forward-looking information contained herein. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2022.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking information prove incorrect, actual results might vary materially from those anticipated in the forward-looking information.

Although we base forward-looking information on assumptions that we believe are reasonable when made, we caution investors that forward-looking information is not a guarantee of future performance and that our actual results of operations, financial condition and liquidity and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking information contained in this Circular. In addition, even if our results of operations, financial condition and liquidity and the development of the industry in which we operate are consistent with the forward-looking information contained in this Circular, those results or developments may not be indicative of results or developments in subsequent periods.

Given these risks and uncertainties, investors are cautioned not to place undue reliance on forward-looking information. Any forward-looking information that is contained in this Circular speaks only as of the date of such statement, and we undertake no obligation to update any forward-looking information or to publicly announce the results of any revisions to any of those statements to reflect future events or developments, except as required by applicable securities laws. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

All of the forward-looking information contained in this Circular is expressly qualified by the foregoing cautionary statements.

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 an officer of the Company, except for Lawrence Molloy who is a new director nominee proposed for election by the Shareholders. **Each Shareholder has the right to appoint as proxyholder a person or company (who need not be a Shareholder) 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 it or them 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 5, 2023, 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 Chair of the Meeting in his or her discretion, and the Chair 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 them 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 Chair of the 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/476083958.

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 **petvalu2023** (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 **petvalu2023** (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 **petvalu2023** (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 5, 2023 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 5, 2023, 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. 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 5, 2023, 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 to listen to the Meeting, however they 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 **petvalu2023** (case sensitive) at https://web.lumiagm.com/476083958 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 their 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 5, 2023 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. The form of proxy must be deposited with Computershare by no later than 2:00 p.m. (Toronto time) on May 5, 2023, 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 (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. 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 so that it arrives no later than 2:00 p.m. (Toronto time) on May 5, 2023, 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 5, 2023, 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 27, 2023 as the record date (the "**Record Date**") for the purpose of determining Shareholders entitled to receive notice of and to vote at the Meeting. Any Shareholder 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 71,005,585 Shares outstanding, each carrying the right to one vote per share. Shareholders 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	13,868,190	19.5%
Roark Capital Partners II AIV AG L.P.	19,576,335	27.6%

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. As at the date of this Circular, the Principal Shareholders held approximately 54.4% of our total issued and outstanding Shares.

The Investor Rights Agreement provides that the Principal Shareholders are entitled to nominate five of the 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).

The Investor Rights Agreement provides that 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. In 2022, the Principal Shareholders agreed to increase the number of Directors on the Board to 10 Directors. At the Company's annual general meeting of Shareholders held on May 10, 2022, the number of Directors was increased from nine to 10, and 10 Directors were elected to the Board. Shareholders will be asked at the Meeting to approve an ordinary resolution to set the number of Directors elected for the ensuing year at nine (please see "Matters to Be Acted Upon at Meeting – Number of Directors" below for details).

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 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.

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.

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

MATTERS TO BE ACTED UPON AT MEETING

Receipt of Financial Statements

The audited consolidated financial statements for the fiscal year ended December 31, 2022 ("**Fiscal 2022**") and the auditor's report thereon (the "**Annual Financial Statements**") will be presented at the Meeting, and will be mailed to those Registered Shareholders and Beneficial Shareholders who requested them. The Annual Financial Statements are available under the Company's profile on SEDAR at www.sedar.com and at 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 nine, subject to such increases as may be permitted by the Articles of the Company (the "**Articles**") 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 nine . **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 nine.**

Election of Directors

At the Meeting, Shareholders will be asked to elect eight Directors to the Board. Under 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, Clayton Harmon, Patrick Hillegass, Kevin Hofmann, Richard Maltsbarger, Lawrence Molloy and Erin Young. The Board recommends that Shareholders vote FOR the election to the Board the nominee directors whose names are set forth above. **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 nominee directors whose names are set forth above, each of whom has been a Director since the date indicated beneath their name below, except for Lawrence Molloy who is a new director nominee proposed for election by the Shareholders.** Management does not contemplate that any of the nominee directors 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 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 10th 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 15th 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 40th day before the applicable meeting.

A copy of the Articles is available under the Company's profile on SEDAR at www.sedar.com.

Nominees for Election to the Board

The following tables set forth information with respect to each person 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. Directors' attendance at meetings of the Board as well as meetings of the Audit Committee, Compensation Committee, and Governance and Nominating Committee of the Board held during 2022 are set out in the profiles below.

ANTHONY TRUESDALE Arizona, United States Director (Chair of the Board) since: August 15, 2019 	Anthony Truesdale is the Chair of the Board and has served as a member of the Board since August 2019. Mr. Truesdale serves as a director of Recreational Equipment, Inc. ("**REI**") and was Chairman of the Board of REI from May 2020 to May 2022. 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.	
	Principal Occupation(s) (for the past 5 years)	
	Corporate Director Chair of the Board, Recreational Equipment Inc.	
	Board/Committee Membership	**Meeting Attendance in 2022**
	Board (Chair)	17/17

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

Shares	DSUs Vested Only[1]	Options Vested Only	Market Value of Securities Vested Only[2] ($)	Share Ownership Requirements[3]
91,472	6,676	42,215	4,680,214	Met

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 ("**Loblaw**"), 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 2022**
Board	17/17
Audit Committee	7/7
Governance and Nominating Committee (Chair)	5/5

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

Shares	DSUs Vested Only(1)	Options Vested Only	Market Value of Securities Vested Only(2) ($)	Share Ownership Requirements(3)
-	7,301	-	264,807	In Progress(4)

CLAYTON HARMON
Georgia, United States

Director since:
January 18, 2021

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 & 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.

Principal Occupation(s) (for the past 5 years)
Managing Director, Roark Capital Management, LLC

Board/Committee Membership	Meeting Attendance in 2022
Board	17/17
Governance and Nominating Committee	5/5
Compensation Committee	6/6

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

Shares	DSUs Vested Only(1)	Options Vested Only	Market Value of Securities Vested Only(2) ($)	Share Ownership Requirements(3)
-	-	-	-	Exempt(5)

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 2022
Board	14/17
Audit Committee[6]	3/4[6]
Compensation Committee	5/6

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

Shares	DSUs Vested Only[1]	Options Vested Only	Market Value of Securities Vested Only[2] ($)	Share Ownership Requirements[3]
-	-	-	-	Exempt[5]

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 2022
Board	16/17

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

Shares	DSUs Vested Only[1]	Options Vested Only	Market Value of Securities Vested Only[2] ($)	Share Ownership Requirements[3]
-	-	-	-	Exempt[5]

RICHARD MALTSBARGER
North Carolina, United States

President & Chief Executive Officer (“**CEO**”).

Director since: November 15, 2018

Richard Maltsbarger is a member of the Board and President and CEO of the Company. Prior to joining Pet Valu in November 2018, Mr. Maltsbarger 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 & acquisitions, enterprise and consumer analytics and innovation. Mr. Maltsbarger currently serves as Audit & Risk Committee Chair on the National Board of Trustees for the National 4-H Council. Mr. Maltsbarger 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.

Principal Occupation(s) (for the past 5 years)
President and CEO of Pet Valu[7] Chief Operating Officer, United States Operations, Lowe’s Companies Inc.

Board/Committee Membership	**Meeting Attendance in 2022**
Board	17/17

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

Shares	**DSUs Vested Only[1]**	**Options Vested Only**	**Market Value of Securities Vested Only[2] ($)**	**Share Ownership Requirements[3]**
21,054	-	737,711	20,267,532	Met [8]

LAWRENCE MOLLOY
Maryland, United States

Director since: N/A

Lawrence "Chip" Molloy is Chief Financial Officer of Sprouts Farmers Market, Inc. ("**Sprouts**") Prior to taking on this role in 2021, Mr. Molloy served as a member of the Board of Directors of Sprouts from 2013 to 2021, Chair of the Audit Committee from 2013 to 2019 and Chair of the Compensation Committee from 2019 to 2021, and as Interim Chief Financial Officer at Sprouts from June 2019 to February 2020. Previously, Mr. Molloy served as Chairman of the Board of Pet Supermarket from 2020 to 2021 and as a member of the Board of Directors of Torrid Inc. from 2018 to 2021. He also served as Interim Chief Executive Officer of Torrid Holdings Inc. in 2018. Other past experiences include serving as Chief Financial Officer of Under Armour, Inc., Chief Financial Officer of PetSmart, Inc., and as a member of the Board of Directors of Party City Holdco Inc. and Wingstop Inc. Mr. Molloy currently serves as a director of Sally Beauty Holdings, Inc., a position he has held since July 2022 and as Chair of the Audit Committee, a position he has held since January 2023. Mr. Molloy formerly served as a U.S. Navy fighter pilot for 10 years, later retiring from the Naval Reserve with the rank of Commander. Mr. Molloy holds a Bachelor's Degree in Computer Science from the United States Naval Academy and a Master of Business Administration Degree from the University of Virginia.

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

Chief Financial Officer, Sprouts Farmers Market, Inc.
Interim Chief Financial Officer, Sprouts Farmers Market, Inc.
Interim Chief Executive Officer, Torrid Holdings Inc.

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

Shares	DSUs Vested Only(1)	Options Vested Only	Market Value of Securities Vested Only(2) ($)	Share Ownership Requirements(3)
-	-	-	-	N/A(9)

ERIN YOUNG
Ontario, Canada
Director since: May 3, 2021

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 & 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.

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

Chief Marketing and Merchandising Officer, McKesson Canada
President, Well.ca
Chief Marketing Officer, Well.ca

Board/Committee Membership	Meeting Attendance in 2022
Board	17/17
Governance and Nominating Committee	5/5
Compensation Committee(10)	3/3(10)

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

Shares	DSUs Vested Only(1)	Options Vested Only	Market Value of Securities Vested Only(2) ($)	Share Ownership Requirements(3)
-	7,658	-	277,756	Met

Notes

1. The number of vested deferred share units ("**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. For more information see "Director Compensation – Deferred Share Unit Plan".
2. Shares and vested DSUs are valued based on the closing price of a Share on the Toronto Stock Exchange (the "**TSX**") on March 23, 2023 ($36.27). Vested options are valued as the difference between the closing price of a Share on the TSX on March 23, 2023 ($36.27) and the exercise price of the options.
3. The value of Shares and/or DSUs required to meet the Director equity ownership requirements is determined using the closing price of a Share on the TSX on March 23, 2023. The Director equity ownership requirement amount is 3x 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".
4. Ms. Davis' equity ownership requirement achievement date is July 28, 2026.
5. 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 Equity Ownership Policy (as defined herein).
6. Mr. Hillegass ceased to be a member of the Audit Committee effective July 28, 2022.
7. Mr. Maltsbarger was Secretary of the Company from November 15, 2018 to May 10, 2022.
8. Mr. Maltsbarger is subject to the equity ownership requirements applicable to executives of Pet Valu set out in the 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 5x 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".

9. If elected to the Board, Mr. Molloy's equity ownership achievement date will be May 9, 2028.
10. Ms. Young was appointed as a member of the Compensation Committee effective May 5, 2022.
11. Linda Drysdale served as a Director from August 12, 2021 to March 6, 2023, and as chair of the Audit Committee from December 9, 2021 to January 27, 2023. She resigned as a Director and was appointed Chief Financial Officer of the Company ("**CFO**") on March 6, 2023.

Cease Trade Order, Bankruptcy, Penalties and Sanctions

Cease Trade Order and Bankruptcy

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

Non-Binding Advisory Resolution on the Company's Approach to Executive Compensation

The Board determined in 2022 to provide Shareholders with an annual non-binding advisory vote on executive compensation. The purpose of the 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.

In 2022, the advisory vote regarding the Company's approach to executive compensation received the approval of 96.15% of the votes cast on the advisory vote.

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 "Executive Compensation – 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 an advisory non-binding resolution on the Company's approach to executive compensation, 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 23, 2023, delivered in advance of the Company's Annual General Meeting of 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 advisory vote on the Company's approach to executive compensation 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 Fiscal 2022 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.

The Company has continued to successfully execute on 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. In this 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[5] banners, has worked to become Canada's preferred pet retailer, and the Company's senior management team has been instrumental in supporting this achievement. 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 Fiscal 2022 performance results and related pay decisions.

Fiscal 2022 performance results

Under its combined banners, during Fiscal 2022, Pet Valu operated 744 locations across Canada offering more than 7,000 products, including our premium, super premium, holistic and award-winning proprietary brands. In Fiscal 2022, Pet Valu stores and our online offerings contributed to the Company's strong financial results, including the following:

- System-wide sales[6] growth of 29.3% to $1,290.7 million in Fiscal 2022 from $998.1 million in the fiscal year ended January 1, 2022 ("**Fiscal 2021**");

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5 Chico was acquired on February 25, 2022.

6 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 ("**MD&A**") for the fiscal year ended December 31, 2022, incorporated by reference herein, for further information on supplementary financial measures, including their definitions.

- Same-store sales[7] growth of 17.1% in Fiscal 2022;
- Revenue growth of 22.6% to $951.7 million in Fiscal 2022 from $776.0 million in Fiscal 2021;
- Adjusted EBITDA[8] growth of 17.8% to $214.8 million in Fiscal 2022, from $182.3 million in Fiscal 2021;
- Net Income growth of 2.0% to $100.8 million in Fiscal 2022 from $98.8 million in Fiscal 2021.

In addition to these positive results, the senior management team continues to focus on growth and operational improvements, resulting in the achievement of several significant operational milestones and strategic initiatives, including:

- Successfully acquired Les Franchises Chico Inc. ("**Chico**"), Quebec's largest pet specialty franchisor;
- Further enhanced the Company's omni-channel platform with the launch of its subscription service, "AutoShip";
- Broadened the reach of our loyalty programs, which now consist of 2.4 million active members, accounting for 75% of system-wide sales;
- Continued expansion of our proprietary brand portfolio, including entry into the freeze-dried consumables category and a broader assortment of hardline products across apparel, accessories, toys and gifting categories;
- Enhanced employee training and career development resources with the introduction of Small Animal "Expert" certification courses and the launch of our Manager Essentials program.

Fiscal 2022 pay decisions

The Committee considered the Fiscal 2022 financial results and operational achievements in making Fiscal 2022 pay decisions, including determining awards under our short- and long-term incentive plans.

- ***Short-term incentive plan.*** Based on strong performance in Fiscal 2022, the Company achieved 183.2% of its operating income before share-based compensation[9] ("**Operating Income Before Share-based Compensation**") target, and 153.8% of its system-wide sales target, while concurrently completing specific criteria for new store openings in Fiscal 2022 and active new store development pipeline for the financial year ended December 30, 2023 ("**Fiscal 2023**"). Given the Company's performance in Fiscal 2022, the Committee approved the Company's Fiscal 2022 incentive program award to the executive team at 174.3% of target payout.
- ***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 Fiscal 2022, the Committee granted options,

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7 This is a supplementary financial measure. Refer to "How We Assess the Performance of Our Business" in the Company's MD&A for the fiscal year ended December 31, 2022, incorporated by reference herein, for further information on supplementary financial measures, including their definitions.

8 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 MD&A for the fiscal year ended December 31, 2022, incorporated by reference herein, for a reconciliation to net income, an IFRS measure.

9 Operating Income Before Share-based Compensation represents revenues less cost of sales and selling, general and administrative expenses excluding share-based compensation expense.

restricted share units and performance share units to our executive team, as their annual long-term incentive compensation to further emphasize a longer-term goal horizon as a newly public company.

Fiscal 2022 plan changes

In Fiscal 2022, we transitioned our executive pay programs to align with the market as a public company, 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.*** The Fiscal 2022 short-term incentive plan includes a combination of sales, and Operating Income Before Share-based Compensation targets to provide focus on both top line growth and operational efficiencies. For Fiscal 2022, performance of Chico was excluded, as the acquisition was not final at the time of target setting.

- ***LTIP.*** The Fiscal 2022 LTIP awards increase the emphasis on performance-based incentives, with target awards comprised of 50% PSUs, 25% RSUs, and 25% options. To further align our executives' interests with those of Shareholders, the PSU performance measures include relative total shareholder return ("**TSR**") and Operating Income Before Share-based Compensation expense.

What's next?

As Pet Valu continues its success as a public company Canadian pet specialty retailer, 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

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 2022 are:

Named Executive Officer	Position
Richard Maltsbarger	*President & Chief Executive Officer*
James Grady[1]	*Former Chief Financial Officer*
Christine Schultz[2]	*Former Chief Information Officer*
Kendalee MacKay	*Chief Merchandising Officer*
Christine Martin-Bevilacqua	Chief Administrative Officer

Notes:
1. Mr. Grady ceased to be employed as Chief Financial Officer effective January 20, 2023.
2. Ms. Schultz ceased to be employed as Chief Information Officer effective December 31, 2022.

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 executive 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.

Fiscal 2022 Financial and Operational Performance Highlights

In Fiscal 2022, Pet Valu achieved strong growth in key financial metrics, when compared to Fiscal 2021, including the following:

- System-wide sales[10] grew by 29.3% to $1,290.7 million in Fiscal 2022 from $998.1 million in Fiscal 2021;
- Same-store sales growth of 17.1% in Fiscal 2022;
- Revenue increased by 22.6% to $951.7 million in Fiscal 2022 from $776.0 million in Fiscal 2021;
- Operating Income [11] increased by 23.8% to $160.2 million in Fiscal 2022 from $129.4 million in Fiscal 2021;
- Gross margin was 37.0% in Fiscal 2022 and in Fiscal 2021;
- Adjusted EBITDA[12,13] increased 17.8% to $214.8 million in Fiscal 2022, from $182.3 million in Fiscal 2021; and
- Adjusted Net Income per Diluted Share[14] increased 55.9% to $1.59 in Fiscal 2022 from $1.02 in Fiscal 2021.

The Company also delivered strong operational performance in Fiscal 2022, including the following:

- Opened 48 new stores, which expanded our store network to 744 locations by year-end;
- Renovated, expanded or relocated 35 stores;
- Successfully acquired Chico, Quebec's largest pet specialty franchisor;
- Further enhanced the Company's omni-channel platform with the launch of its subscription service, "AutoShip";

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10 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.

11 Operating Income is defined as gross profit less selling, general and administrative expenses.

12 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, investment in associate (representing the share of gain or loss from an associate and any gains or losses on a related call option) 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 MD&A for the fiscal year ended December 31, 2022, incorporated by reference herein, for a reconciliation of Adjusted EBITDA to net income, an IFRS measure.

13 For the periods prior to the closing of the Company's 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).

14 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 MD&A for the fiscal year ended December 31, 2022, incorporated by reference herein, for a reconciliation of Adjusted Net Income to net income, an IFRS measure.

- Broadened the reach of our loyalty programs, which now consist of 2.4 million active members, accounting for 75% of system-wide sales;

- Continued expansion of its proprietary brand portfolio, including entry into the freeze-dried consumables category and a broader assortment of hardline products across apparel, accessories, toys and gifting; and

- Enhanced employee training and career development resources with the introduction of Small Animal "Expert" certification courses and the launch of our Manager Essentials program.

Fiscal 2022 Pay for Performance

The Compensation Committee considered the Fiscal 2022 financial results and operational achievements in making Fiscal 2022 pay decisions, including determining awards under the Company's annual incentive plan and LTIP. As detailed under "– Principal Elements of Compensation – Short-Term Incentive Compensation", annual incentive awards for NEOs paid out at 174.3% of target. This was based on achieving 183.2% of Operating Income Before Share-based Compensation[15], 153.8% of the system-wide sales target, while concurrently meeting specific criteria for new store openings completed in Fiscal 2022 and active new store development pipeline for Fiscal 2023.

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 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 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".

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[15] Operating Income Before Share-based Compensation represents revenues less cost of sales and selling, general and administrative expenses excluding share-based compensation expense.

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 of equity holdings by executives or Directors
✓ Compare executive compensation and Company performance to relevant peer group companies	× Reprice options
✓ Require executives to meet minimum share ownership requirements	× Grant in-the-money 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 non-binding 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

Advisory Vote

At our 2022 annual general meeting of shareholders, the Company held an advisory vote on the Company's approach to executive compensation. At that meeting, 96.15% of the votes cast on the advisory vote voted "for" the executive compensation program as discussed in our 2022 management information circular dated March 28, 2022.

The Compensation Committee considered the advisory vote results in the context of our overall compensation philosophy and programs, and based on the level of support, determined that no significant changes to our compensation policies and programs were necessary. The Compensation Committee will continue to consider the results of future advisory votes in its evaluation of subsequent changes to our executive compensation programs and policies that would be warranted to reflect any Shareholder concerns reflected in those advisory votes or to address market developments.

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 ⅓x to 3x the Company's revenue and market capitalization at the time of developing the Comparator Groups.

The companies forming the Comparator Groups used to set pay in Fiscal 2022 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.

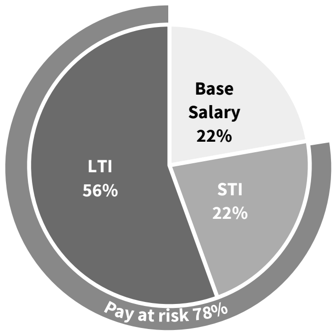
These Comparator Groups, potentially supplemented by other sources of competitive pay information, such as region or role specific survey data, are an important input in establishing compensation levels and structure. The Committee, with the assistance of its independent compensation consultant, reviews the Comparator Groups annually to determine, as appropriate, any changes required based on the selection criteria and to align with the Company's strategy. 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. No changes to the Comparator Groups were made compared to Fiscal 2021 for benchmarking and determining Fiscal 2022 compensation.

Pay Mix

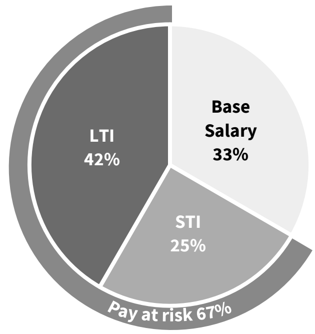
Executive pay includes a mix of fixed compensation (base salary and benefits) and variable pay (short- and long-term incentives) that is based on meeting a combination of short- and long-term goals. A significant portion of executive pay is "at risk" or based on meeting performance goals to align executive pay with the long-term goals of the Company.

In Fiscal 2022, the Company targeted a specific pay mix as demonstrated in the following charts, which illustrate the Fiscal 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 Fiscal 2022.

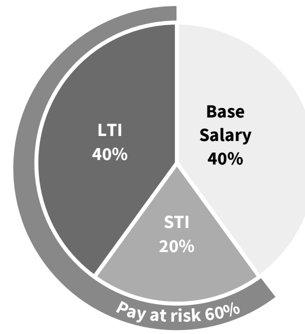
CEO
Target Total Compensation Mix



CFO
Target Total Compensation Mix



Other NEOs
Target Total Compensation Mix



Compensation Consultant

In Fiscal 2022, 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:

- Reviewing and refreshing peer comparator group of public companies with similar attributes to the Company for the purpose of benchmarking its compensation policies and plans for Fiscal 2023;
- Advising on matters related to Fiscal 2022 LTIP awards for the Company's executive officers;
- Reviewing LTIP administration methodology; and
- Support with proxy disclosure and normal course compensation matters.

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, 2022, the Compensation Committee had incurred $148,697 in fees for services rendered by Hugessen in Fiscal 2022. 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 Fiscal 2022 and Fiscal 2021 are provided in the table below.

Hugessen	Fiscal 2022 Fees	Fiscal 2021 Fees
Executive and Director compensation-related fees	$148,697	$278,727[1]
All other fees	$ -	$ -

Notes
1. Includes fees incurred for services rendered by Hugessen in connection with the IPO.

Management retained Mercer (Canada) Ltd. ("**Mercer**") throughout Fiscal 2022, to provide advice in connection with executive compensation and disclosure, including, among other things, providing best practices in connection with the LTIP and in drafting this Executive Compensation section.

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. 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 Fiscal 2022
Base salary	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
Short-term incentive plan	Reward short-term financial, operational and individual performance	Cash payments based on Operating Income Before Share-based Compensation and system-wide sales with specific criteria for new store openings and development
LTIP	Align management interests with those of Shareholders, encourage retention and reward long-term Company performance	PSUs (based on the measures TSR and Operating Income Before Share-based Compensation), RSUs, and options

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 2022 and Fiscal 2021 and the percentage change.

NEO	Position	Fiscal 2022 Salary[2]	Fiscal 2021 Salary[1]	Change[2]
Richard Maltsbarger[1]	*President & Chief Executive Officer*	$748,133	$720,705	3.8%
James Grady[1,3]	*Former Chief Financial Officer*	$563,051	$542,409	3.8%
Christine Schultz[1,4]	*Former Chief Information Officer*	$476,203	$458,744	3.8%
Kendalee MacKay	*Chief Merchandising Officer*	$440,860	$440,860	-
Christine Martin-Bevilacqua	*Chief Administrative Officer*	$381,640	$381,640	-

Notes
1. Base salaries for Mr. Maltsbarger, Mr. Grady, and Ms. Schultz were paid in U.S. dollars and have been converted to Canadian dollars based on the Bank of Canada average exchange rate for Fiscal 2022 of US$1.00=C$1.3011 and for Fiscal 2021 of US$1.00 = C$1.2534.
2. Base salaries of the NEOs did not change from Fiscal 2021 to Fiscal 2022. The U.S. dollar base salary for Mr. Maltsbarger was $575,000, for Mr. Grady was $432,750, and for Ms. Schultz was $366,000. The change in base salary from Fiscal 2021 to Fiscal 2022 for Mr. Maltsbarger, Mr. Grady, and Ms. Schultz was due to the exchange rate.
3. Mr. Grady ceased to be employed as Chief Financial Officer effective January 20, 2023.
4. Ms. Schultz ceased to be employed as Chief Information Officer effective December 31, 2022.

Short-Term Incentive Compensation

Short-Term Incentive Design

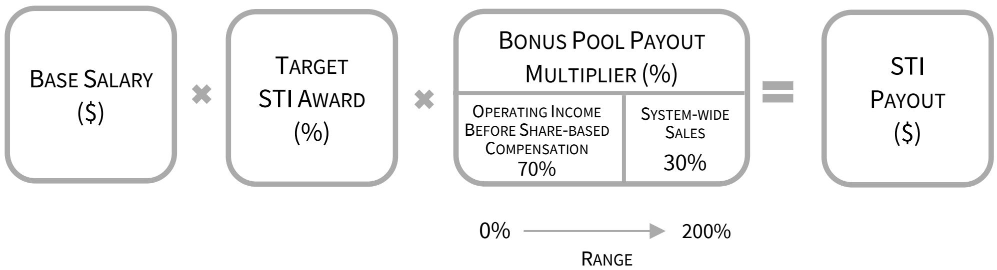
The Company's NEOs and other executive officers are eligible to receive short-term incentive ("**STI**") in the form of annual bonuses set as a percentage of base salary. Annual bonus plans are designed to motivate the Company's executive officers to meet the Company's business and financial objectives 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.

For Fiscal 2022, annual bonuses were earned and measured with reference to two main performance measures to provide focus on both top line growth and operational efficiencies, both of which excluded performance by Chico, which was not part of the Company at the time of target setting:

- ***Operating Income Before Share-based Compensation***, with a weighting of 70% of the total bonus, compared to a target annual level of Operating Income Before Share-based Compensation; and

- ***System-wide sales*** with a weighting of 30% of the total bonus, with specific criteria for new store openings completed in Fiscal 2022 and active new store development pipeline for Fiscal 2023.

Depending on actual performance relative to targets, payouts for the performance measures can range from zero (<97% of target) to 200% (≥112% of target for Operating Income Before Share-based Compensation and ≥110% for system-wide sales). Payouts are based on the weighted result of the two components of the performance measures. Annual bonuses are determined using the formula set out below:



Fiscal 2022 STI Payout

STI Award Opportunity as a Percentage of Base Salary and Fiscal 2022 Actual Awards					
Executive	**Payout at Threshold**	**Target**	**Maximum**	**Target ($)**	**Fiscal 2022 Actual ($)**
Richard Maltsbarger [1]	50%	100%	200%	$748,133	$1,303,995
James Grady [1,2]	37.5%	75%	150%	$422,288	$736,048
Christine Schultz [1,3]	25%	50%	100%	$238,101	$452,392
Kendalee MacKay	25%	50%	100%	$220,430	$384,209
Christine Martin-Bevilacqua	25%	50%	100%	$190,820	$332,599

Notes
1. Bonuses for Mr. Maltsbarger, Mr. Grady, and Ms. Schultz were paid in U.S. dollars and have been converted to Canadian dollars based on the Bank of Canada average exchange rate for Fiscal 2022 of US$1.00 = C$1.3011.
2. Mr. Grady ceased to be employed as Chief Financial Officer effective January 20, 2023.
3. Ms. Schultz ceased to be employed as Chief Information Officer effective December 31, 2022.

STI Results

Actual financial results for the performance measures of the STI for Fiscal 2022 and payout percentages were:

- $168.2 million for Operating Income Before Share-based Compensation, compared to a target of $154.3 million;
- $1,199.3 million for system-wide sales, compared to a target of $1,138 million.

This performance resulted in a total weighted average of 174.3% for the performance measures of the STI, as shown in the table below. Additional criteria for system-wide sales were met regarding new store openings completed in Fiscal 2022 and active new store development pipeline for Fiscal 2023. As noted above, these targets exclude results from Chico, as the Chico acquisition was not final at the time of target setting.

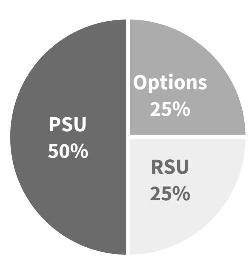
Fiscal 2022 Short-term Incentive Award							
Performance measure	**Weighting**	**Threshold**	**Target**	**Maximum**	**Actual**	**Achievement**	**Weighted Score %**
Operating Income Before Share-based Compensation ($M)	70%	$148.1	$154.3	$171.0	$168.2	183.2%	128.2%
System-wide sales ($M)	30%	$1,103.9	$1,138.0	$1,251.8	$1,199.3	153.8%	46.1%
Total Fiscal 2022 STI Score							**174.3%**

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-based 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 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 options, stock appreciation rights ("**SARs**"), Tandem SARs, RSUs, PSUs and restricted stock under the LTIP. Previous grants are not taken into account when considering new grants as grants are made annually, based on target pay-at-risk.

In Fiscal 2022, the Compensation Committee awarded the following types of equity to each NEO: PSUs, representing 50% of the target award, and RSUs and options, each representing 25% of the target awards. These equity-based awards were chosen to focus on Company long-term performance and align with Shareholders' interests.

NEO LTIP Equity Mix



Fiscal 2022 LTIP Design

The Fiscal 2022 LTIP award design and target values for each NEO are set forth in the table below.

NEO	Position	Target (as a % of salary)	Total Target
Richard Maltsbarger	*President & Chief Executive Officer*	250%	$1,870,331
James Grady[2]	*Former Chief Financial Officer*	125%	$703,814
Christine Schultz[3]	*Former Chief Information Officer*	100%	$476,203
Kendalee MacKay	*Chief Merchandising Officer*	100%	$440,860
Christine Martin-Bevilacqua	*Chief Administrative Officer*	100%	$381,640

Notes
1. Payouts of LTIP awards for Mr. Maltsbarger, Mr. Grady, and Ms. Schultz are paid in U.S. dollars and have been converted to Canadian dollars based on the Bank of Canada average exchange rate for Fiscal 2022 of US$1.00 = C$1.3011.
2. Mr. Grady ceased to be employed as Chief Financial Officer effective January 20, 2023.
3. Ms. Schultz ceased to be employed as Chief Information Officer effective December 31, 2022.

Fiscal 2022 Options

On March 8, 2022 and May 9, 2022, the Company granted options to each of the NEOs under the LTIP, as set forth in the table below.

NEO	Position	Number of Options	Grant Date Value
Richard Maltsbarger	*President & Chief Executive Officer*	50,297	$555,489
James Grady	*Former Chief Financial Officer*	18,927	$209,033
Christine Schultz	*Former Chief Information Officer*	13,768	$152,952
Kendalee MacKay	*Chief Merchandising Officer*	13,007	$144,495
Christine Martin-Bevilacqua	*Chief Administrative Officer*	10,473	$115,666

The options vest one fourth on the grant anniversary date and expire 10 years from the grant date. March 8, 2022 options have an exercise price of $28.14 and May 9, 2022 options have an exercise price of $32.12.

Fiscal 2022 RSUs

On March 8, 2022, the Company granted RSUs to each of the NEOs under the LTIP, as set forth in the table below.

NEO	Position	Number of RSUs	Grant Date Value
Richard Maltsbarger	*President & Chief Executive Officer*	16,282	$458,203
James Grady	*Former Chief Financial Officer*	6,127	$172,424
Christine Schultz	*Former Chief Information Officer*	4,146	$116,663
Kendalee MacKay	*Chief Merchandising Officer*	3,917	$110,215
Christine Martin-Bevilacqua	*Chief Administrative Officer*	3,391	$95,410

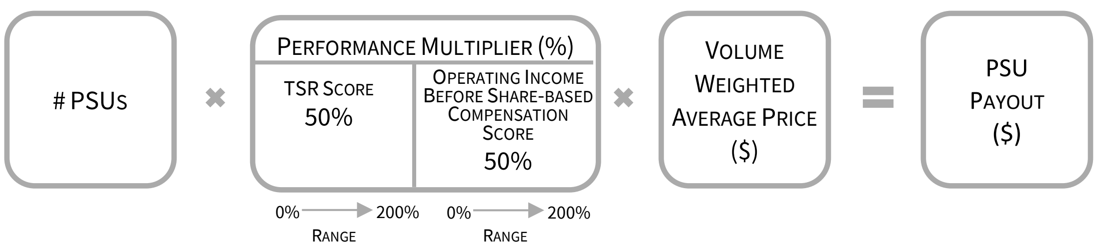
The RSUs vest on the third anniversary of the grant date and will be paid out in cash.

Fiscal 2022 PSUs

On March 8, 2022, the Company granted PSUs to each of the NEOs under the LTIP, as set forth in the table below.

NEO	Position	Number of PSUs	Grant Date Value
Richard Maltsbarger	*President & Chief Executive Officer*	32,564	$916,406
James Grady	*Former Chief Financial Officer*	12,254	$344,848
Christine Schultz	*Former Chief Information Officer*	8,291	$233,325
Kendalee MacKay	*Chief Merchandising Officer*	7,833	$220,430
Christine Martin-Bevilacqua	*Chief Administrative Officer*	6,781	$190,820

The PSUs vest on the third anniversary of the grant date with a cash payout dependent on actual performance, as shown in the formula below. The PSU awards are intended to reward NEOs for achieving TSR and Operating Income Before Share-based Compensation results over a three-year period.



Performance Periods. Each of TSR and Operating Income Before Share-based Compensation are measured over four performance periods based on specified weights, as set forth in the table below.

Performance Period	Weight
Period 1 – Grant date to end of Fiscal 2022	20%
Period 2 – Fiscal 2023	20%
Period 3 – Fiscal year ended December 28, 2024	20%
Period 1 to 3 – Grant date to end of fiscal year ended December 28, 2024	40%

TSR. At the end of each performance period the TSR performance is calculated for each benchmark index, as set forth in the table below.

Benchmark Indices	Weight
S&P/TSX Completion Index	50%
S&P/TSX Capped Composite, Consumer Discretionary Index	25%
S&P/TSX Capped Composite, Consumer Staples Index	25%

The Company's TSR score for each performance period is calculated based on its TSR percentile rank compared to the TSR score at each of the 25th, 50th and 75th percentile, which define the threshold, target and stretch, respectively, as shown in the table below.

Percentile Rank of Corporation TSR Compared to Benchmark Indices	TSR Score
Maximum: Greater than or equal to P75	200%
Target: Equal to P50	100%
Threshold: Less than or equal to P25	0%

Operating Income Before Share-based Compensation. At the end of each performance period the Company's actual Operating Income Before Share-based Compensation is compared to the threshold, target and stretch for that period to determine the score.

Operating Income Before Share-based Compensation ("OIBSBC") Achieved	OIBSBC Score
Maximum: Greater than or equal to Target plus 20%	200%
Target	100%
Threshold: Less than or equal to Target less 20%	0%

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 Fiscal 2022 included the following: for Mr. Maltsbarger a monthly Canadian apartment allowance in the aggregate annual amount of $35,400 and disability insurance premiums in the amount of $12,313.

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.

The Compensation Committee has not identified any risks that are reasonably likely to have a material adverse effect on the Company. The key risk-mitigating practices incorporated into our compensation program include our Equity Ownership Policy, Insider Trading Policy, and Executive Clawback Policy, discussed below.

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 from the date of becoming subject to 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
President & Chief Executive Officer	5x
Chief Financial Officer	4x
Other NEOs	3x

The following table sets out how each NEO, other than James Grady, who ceased to be employed as Chief Financial Officer effective January 20, 2023, and Christine Schultz, who ceased to be employed as Chief Information Officer effective December 31, 2022, met their ownership requirements.

Name	Year Subject to Equity Ownership Policy	Number of Shares and Vested Options (#) [1]	Total Market Value of Equity Holdings ($) [2]	Multiple of Base Salary	Equity Ownership Requirement Met
Richard Maltsbarger	2021	754,487	$22,384,759	29.9	Yes
Kendalee MacKay	2021	55,851	$1,643,645	3.7	Yes
Christine Martin-Bevilacqua	2021	154,378	$5,228,132	13.7	Yes

Notes
1. Based on total directly held Shares and vested options at the end of Fiscal 2022.
2. Shares are valued based on the closing Share price on the TSX on December 30, 2022 of $39.13. Vested options are valued as the difference between the closing Share price on the TSX on December 30, 2022 of $39.13 and the exercise price of the applicable option.

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 all Company employees at the vice president level and above, and all Company finance department employees at the director level and above (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.

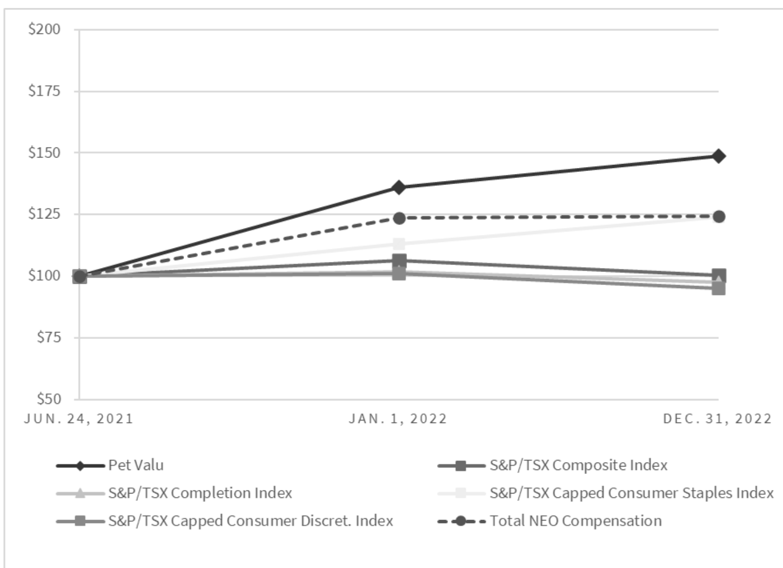
Burn Rate

The annual burn rate for each equity-based compensation arrangement for Fiscal 2022, expressed as a percentage and calculated by dividing the number of awards granted during Fiscal 2022 by the weighted average number of Shares outstanding for Fiscal 2022, is set forth in the following table:

Burn Rate	Fiscal 2022	Fiscal 2021
Grants under the Amended and Restated Share Option Plan (“**ARSOP**”)	-	431,535
Grants under the LTIP	304,764	276,490
Total Options granted under all equity-based compensation plans	304,764	708,025
Total Number of Options granted / Basic weighted average number of Shares outstanding at year end	0.43	1.01

Performance Graph

The chart below shows the value of a $100 investment made June 24, 2021, in both Shares, the S&P/TSX Composite Index and Pet Valu’s Comparator Groups at the end of each of the last two years (assuming reinvestment of dividends throughout the term) and shows the growth in total direct compensation for the NEOs reported in the summary compensation table over the same period. For the purpose of the graph, returns are shown in local currency. Total direct compensation includes base salary, short-term incentive award earned, and the grant value of long-term incentive awards. Average total direct compensation is taken by dividing the total direct compensation from the Summary Compensation Table by the number of NEOs in any given year. The total return on Shares has been positive from 2021 to 2022, despite a dip in economic activity. Average compensation paid to the NEOs has also increased over the same period.



Date	Pet Valu	S&P/TSX Composite Index	S&P/TSX Completion Index	S&P/TSX Capped Consumer Staples Index	S&P/TSX Capped Consumer Discretionary Index
Jun. 24, 2021	$100	$100	$100	$100	$100
Jan. 1, 2022	$136	$107	$102	$113	$101
Dec. 31, 2022	$149	$100	$97	$124	$95

Summary Compensation Table

The following table provides a summary of the Fiscal 2022 compensation earned by or awarded to the NEOs. This information is provided as of December 31, 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 one prior financial year is presented.

Name and Principal Position	Year	Salary	Share-based Awards (2)	Option-based Awards (3)	Non-Equity Incentive Plan Compensation		Pension Value (5)	All Other Compensation (6)	Total Compensation
					Annual Incentive Plans (4)	Long-Term Incentive Plans			
Richard Maltsbarger[1]	2022	$748,133	$1,374,609	$555,489	$1,303,995	-	-	$56,108[7]	$4,038,334
President and Chief Executive Officer	2021	$720,705	-	$460,000	$1,367,898	-	-	$47,713	$2,596,316
James Grady[1]	2022	$563,051	$517,271	$209,033	$736,048	-	-	$8,782	$2,034,185
Chief Financial Officer	2021	$542,409	$614,350	$350,000	$643,433	-	-	$414,760	$2,564,952
Christine Schultz[1]	2022	$476,203	$349,988	$152,952	$452,392	-	-	$816,814[8]	$2,248,349
Former Chief Information Officer	2021	$458,744	$614,350	$150,000	$435,348	-	-	$505,231	$2,163,674
Kendalee MacKay	2022	$440,860	$330,645	$144,495	$384,209	-	-	$16,640	$1,316,849
Chief Merchandising Officer	2021	$429,335	-	$838,331	$407,470	-	-	$16,850	$1,691,986
Christine Martin-Bevilacqua[9]	2022	$381,640	$286,230	$115,666	$332,599	-	-	$16,073	$1,132,208
Chief Administrative Officer	2021	$371,744	-	$150,000	$352,736	-	-	$14,682	$889,161

Notes

1. Compensation for Mr. Maltsbarger, Mr. Grady, and Ms. Schultz was paid in U.S. dollars and has been converted to Canadian dollars based on the Bank of Canada average exchange rate for Fiscal 2022 of US$1.00 = C$1.3011 and for Fiscal 2021 of US$1.00 = C$1.2534.
2. Amounts for Fiscal 2022 reflect PSUs and RSUs for all NEOs.
3. Amounts for Fiscal 2022 reflect the grant date fair value of options granted 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 shown reflect bonus earned for each NEO. See "– Principal Elements of Compensation – Short-Term Incentive Compensation".
5. The Company does not currently offer a deferred compensation plan or pension plan.
6. Amounts for all NEOs include Company contributions to retirement savings plans and the Company's employee share purchase plan.
7. Includes a monthly Canadian apartment allowance in the aggregate annual amount of $35,400 and disability insurance premiums in the amount of $12,313.
8. Ms. Schultz ceased to be employed as Chief Information Officer effective December 31, 2022. Includes salary continuance to be paid over 17 months in U.S. dollars that has been converted to Canadian dollars based on the Bank of Canada average exchange rate for Fiscal 2022 of US$1.00 = C$1.3011, and the value of in-the-money options for which vesting was accelerated to December 31, 2022.
9. Ms. Martin-Bevilacqua was not a NEO in 2021.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out information concerning the share-based awards and option-based awards granted to the NEOs outstanding at the end of Fiscal 2022. See "– Equity Incentive Plans – Long Term Incentive Plan" and "– Equity Incentive Plans – Amended and Restated Share Option Plan".

Name and Principal Position	Option-Based Awards				Share-Based Awards		
	Number of Shares underlying unexercised options (#)	Option exercise price	Option expiration date[1]	Value of unexercised in-the-money options[2]	Number of Shares or units of shares that have not vested (#)	Market or Payout value of share-based awards that have not vested[5]	Market or payout value of vested share-based awards not paid out or distributed
Richard Maltsbarger *President and Chief Executive Officer*	1,012,049 68,370 16,282 34,015	$9.73 $20.00 $28.14 $32.12	November 15, 2028 June 30, 2031 March 8, 2032 May 9, 2032	$31,479,543	48,846	$1,911,344	-
James Grady *Former Chief Financial Officer*	32,481 52,020 6,127 12,800	$9.73 $20.00 $28.14 $32.12	April 19, 2027 June 30, 2031 March 8, 2032 May 9, 2032	$2,107,148	18,381	$719,249	-
Christine Schultz *Former Chief Information Officer*	23,993 7,433	$9.73 $20.00	February 9, 2027[4] June 30, 2031[4]	$847,587	-[4]	-[4]	-
Kendalee MacKay *Chief Merchandising Officer*	139,205 22,300 3,916 9,091	$9.73 $20.00 $28.14 $32.12	January 27, 2031 June 30, 2031 March 8, 2032 May 9, 2032	$4,625,991	11,750	$459,777	-
Christine Martin-Bevilacqua *Chief Administrative Officer*	92,803 22,300 3,390 7,083	$9.73 $20.00 $28.14 $32.12	April 19, 2027 June 30, 2021 March 8, 2032 May 9, 2032	$3,241,915	10,172	$398,031	-

Notes

1. All outstanding options, unless otherwise noted, have a 10-year term.
2. Amounts shown reflect the aggregate dollar value of in-the-money vested and unvested unexercised options for all NEOs using the December 30, 2022 closing Share price on the TSX of $39.13.
3. Mr. Grady ceased to be employed as Chief Financial Officer effective January 20, 2023. Mr. Grady exercised 16,241 of his vested options on March 7, 2023. All remaining unvested options held by Mr. Grady were forfeited effective January 20, 2023.
4. Ms. Schultz ceased to be employed as Chief Information Officer effective December 31, 2022. The vesting of 7,433 of Ms. Schultz's options was accelerated to December 31, 2022. All remaining unvested options held by Ms. Schultz were forfeited effective December 31, 2022. All of the RSUs and PSUs held by Ms. Schultz were forfeited effective December 31, 2022.
5. Share-based awards consist of both PSUs and RSUs granted under the LTIP. RSUs cliff vest after three years from the grant date. PSUs vest three years from the grant date based on the overall achievement of the performance measures over the performance periods. The performance measures are described under the heading "– Equity Incentive Plans – Long Term Incentive Plan" and "– Principal Elements of Compensation – Long-Term Incentive Compensation – Fiscal 2022 PSUs".
6. Amounts shown reflect the aggregate market or payout value for RSUs and PSUs based on the closing Share price on the TSX on December 30, 2022 of $39.13 and assumes a performance multiplier of 1.0 for PSUs. The actual multiplier for PSUs is determined upon vesting and may range from 0 to 2.

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 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 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 (the "**Lump Sum**") of US$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 agreement also contains standard 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 had 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 provided that Mr. Grady would be employed as Chief Financial Officer of the Company. Mr. Grady ceased to be employed as Chief Financial Officer of the Company effective January 20, 2023.

Mr. Grady's agreement provided 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 agreement with Mr. Grady specified that if Mr. Grady resigned, Mr. Grady was 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 agreement also contained standard trade secret, confidentiality and non-disparagement covenants which remain in force following termination of his employment, as well as non-competition and non-solicitation covenants which remain in effect for 12 months and 24 months following termination of his employment, respectively.

Christine Schultz, Chief Information Officer

Christine Schultz had 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 provided that Ms. Schultz would be employed as Chief Information Officer of the Company. Ms. Schultz ceased to be employed as Chief Information Officer of the Company effective December 31, 2022.

Ms. Schultz's agreement provided 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 agreement with Ms. Schultz specified that in the event Ms. Schultz's employment was terminated without cause and she signed a general release, Ms. Schultz would 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 would be 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.

Ms. Schultz's agreement also contained standard trade secret, confidentiality and non-disparagement covenants which remain in force following termination of her employment, as well as non-competition and non-solicitation covenants which remain in effect for 12 months following termination of her employment.

Kendalee MacKay, Chief Merchandising Officer

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

Ms. MacKay's 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 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 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 agreement also contains standard 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.

Christine Martin-Bevilacqua, Chief Administrative Officer

Christine Martin Bevilacqua has an amended and restated employment agreement with PVCI. The employment agreement provides that Ms. Martin-Bevilacqua will be employed as Chief Administrative Officer of the Company.

Ms. Martin-Bevilacqua's 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 agreement with Ms. Martin-Bevilacqua specifies that certain amounts are payable to Ms. Martin-Bevilacqua in the event her employment with the Company is terminated or she resigns.

In the event Ms. Martin-Bevilacqua's employment is terminated without cause or she resigns for good reason and she signs a general release, Ms. Martin-Bevilacqua will continue to receive her base salary and benefits for a period of 24 months. In addition, Ms. Martin-Bevilacqua 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 and vacation pay as required by applicable employment standards legislation.

Ms. Martin-Bevilacqua's 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 to entitle Ms. Martin-Bevilacqua to severance payments.

If Ms. Martin-Bevilacqua's employment is terminated for cause or she resigns, Ms. Martin-Bevilacqua 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 any other accrued wages and vacation pay as required by applicable employment standards legislation.

Ms. Martin-Bevilacqua's agreement also contains standard 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.

Termination Benefits

Each NEO is a party to an 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	LTIP Options: Vested options must be exercised within the earlier of the expiration date of the options ("**Expiration Date**") or 60 days after the effective date of termination ("**Termination Date**"). Unvested options are forfeited immediately. ARSOP Options: Vested options must be exercised within 60 days of the Termination Date. Unvested options are forfeited immediately.
Executive Resigns for Good Reason	Termination Payment	LTIP Options: Vested options must be exercised within the earlier of the Expiration Date or 60 days after the Termination Date. ARSOP Options: Vested options must be exercised within 60 days of the effective date of resignation. Unvested options are forfeited immediately.
Termination by the Company With Cause	None	Options expire and are forfeited in full immediately.
Executive resigns Other Than for Good Reason	None	LTIP Options: Vested options must be exercised within the earlier of the Expiration Date or 60 days after the Termination Date. ARSOP Options: Vested options must be exercised within 60 days of the effective date of resignation. Unvested options are forfeited immediately.
Death or Disability	None	LTIP Options: Unvested options granted prior to the year of death or Termination Date as a result of disability ("**Disability Date**") 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. ARSOP Options: Vested options must be exercised within 90 days after the Death or Disability. Unvested options are forfeited immediately.

Reason for Termination of Employment	Termination Payment	Options
Change in Control[1] With: • Termination by the Company Without Cause • Executive Resigns for Good Reason on or Following Change in Control	Termination Payment	LTIP Options: Vested options[1] 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. ARSOP Options: Vested options[1] 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.

Notes

1. The terms of the Company's ARSOP and LTIP stipulate that certain awards may be accelerated in certain circumstances in the event of a "Change in Control" (as defined in the ARSOP and LTIP). The Company's ARSOP 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 following 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 30, 2022, the last business day prior to the Fiscal 2022 year end.

Name and Principal Position	Triggering Event	Months used to calculate Termination Payment	Value of Termination Payment	Target STI	Value of LTI	Lump Sum	Total Value
Richard Maltsbarger [1] *President and Chief Executive Officer*	Termination by the Company Without Cause or Executive Resigns for Good Reason	22	$1,371,576	$748,133	$0	$43,869	$2,163,578
	Change of Control and Termination by the Company Without Cause or Executive Resigns for Good Reason[2]	22	$1,371,576	$748,133	$14,003,154	$47,404	$16,170,267
Kendalee MacKay *Chief Merchandising Officer*	Termination by the Company Without Cause or Executive Resigns for Good Reason	14	$514,337	$220,430	$0	-	$734,767
	Change of Control and Termination by the Company Without Cause or Executive Resigns for Good Reason[2]	14	$514,337	$220,430	$3,398,159	-	$4,132,926
Christine Martin-Bevilacqua *Chief Administrative Officer*	Termination by the Company Without Cause or Executive Resigns for Good Reason	24	$763,280	$190,820	$0	-	$954,100
	Change of Control and Termination by the Company Without Cause or Executive Resigns for Good Reason[2]	24	$763,280	$190,820	$1,059,171	-	$2,013,271

Notes
1. Salary, STI and Lump Sum for Mr. Maltsbarger are paid in U.S. dollars and have been converted to Canadian dollars based on the Bank of Canada average exchange rate for Fiscal 2022 of US$1.00 = C$1.3011.
2. Represents the value of the unvested options that would vest and be paid under the Change in Control and termination scenario.

The following table sets out the actual payments to NEOs whose employment with the Company ended effective at, or subsequent to, the end of Fiscal 2022.

Name and Principal Position	Cash	STI	Value of LTI	Total Value
James Grady [1,2] *Former Chief Financial Officer*	-	$736,048	-	$736,048
Christine Schultz[1,3] *Former Chief Information Officer*	$674,621	$452,392	$142,193	$1,269,206

Notes
1. STI for Mr. Grady and Ms. Schultz and salary continuance for Ms. Schultz were paid in U.S. dollars and have been converted to Canadian dollars based on the Bank of Canada average exchange rate for Fiscal 2022 of US$1.00 = C$1.3011.
2. Mr. Grady ceased to be employed as Chief Financial Officer effective January 20, 2023. STI target at 75% of his base salary; achievement as described under the heading "– Principal Elements of Compensation – Short Term Incentive Compensation – STI Results" was paid in the first quarter of Fiscal 2023.
3. Ms. Schultz ceased to be employed as Chief Information Officer effective December 31, 2022. In accordance with the termination

agreement entered into between Ms. Schultz and the Company, Ms. Schultz is receiving salary continuance for a period of 17 months and has received Fiscal 2022 STI at 50% of her base salary and 190% achievement in the first quarter of Fiscal 2023. Ms. Schultz was previously granted 7,433 options, for which vesting was accelerated to December 31, 2022 in accordance with the termination agreement. Ms. Schultz may exercise such vested options until March 31, 2023. All PSUs, RSUs and remaining unvested options held by Ms. Schultz were forfeited on December 31, 2022.

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 ARSOP. In connection with the IPO, Pet Valu amended the ARSOP 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 tothe 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 anyreason 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 ARSOP are the Directors, employees and consultants of the Company and its affiliates. The Board is responsible for administering the ARSOP (subject to its right to delegate authority to a committee of the Board) and has the full and complete authority to interpret the ARSOP and to take such other actions in the administration and operation of the ARSOP as it deems equitable under thecircumstances.

At the end of Fiscal 2022, options to acquire 1,767,299 Shares were outstanding under the ARSOP. The Shares issuable upon exercise of such options represent, in the aggregate, approximately 2.5% of the total Shares issued and outstanding at the end of Fiscal 2022. No additional grants will be made under the ARSOP, 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 ARSOP.

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 2022 (assuming the continued employment of each NEO).

Name and Principal Position	Option-Based Awards – Value Vested During the Year (1)	Share-Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation – Value Vested During the Year
Richard Maltsbarger *President and Chief Executive Officer*	$8,185,254	-	-
James Grady *Former Chief Financial Officer*	$954,941	-	-
Christine Schultz *Former Chief Information Officer*	$818,525	-	-
Kendalee MacKay *Chief Merchandising Officer*	$818,555	-	-
Christine Martin-Bevilacqua *Chief Administrative Officer*	$272,832	-	-

Notes

1. This column contains the aggregate dollar value of in-the-money unexercised options that vested in Fiscal 2022 for all NEOs using the December 30, 2022 closing Share price on the TSX of $39.13.

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 Future Issuance
LTIP [1]	532,143	$25.78	4,798,205
ARSOP	1,767,299	$9.44	N/A

Notes
1. RSUs and PSUs awarded under the LTIP are cash settled.

As at December 31, 2022, a maximum of 5,330,348 Shares may be issued upon exercise of outstanding options under the LTIP and a maximum of 1,767,299 Shares may be issued upon exercise of outstanding options under the ARSOP. As at December 31, 2022, an aggregate of 2,299,442 options remain outstanding under the LTIP and the ARSOP, representing 3.2% of issued and outstanding Shares on a non-diluted basis. As at such date, a total of 4,798,205 Shares remained available for issuance under the LTIP, representing 6.8% of issued and outstanding Shares on a non-diluted basis. No further options are available for grant under the ARSOP.

DIRECTOR COMPENSATION

General

The following discussion describes the significant elements of the compensation program for membersof 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 Governance and Nominating 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 Fiscal 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. See "– DeferredShare 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 2022, Board members were awarded DSUs for the equity retainer, as set forth in the table below.

Name	DSU Award #
Sarah Davis	3,256
Linda Drysdale	3,256
Rick Puckett	3,256
Steven Townsend	3,256
Anthony Truesdale	3,256
Erin Young	3,256

The table below shows the total compensation in Fiscal 2022 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	-	$196,340[(1)]	-	-	-	-	$196,340
Linda Drysdale	-	$196,296[(1)]	-	-	-	-	$196,296
Rick Puckett	$80,000	$101,595[(2)]	-	-	-	-	$181,595
Steven Townsend	$95,000	$101,595[(2)]	-	-	-	-	$196,595
Anthony Truesdale	$175,000	$101,595[(2)]	-	-	-	-	$276,595
Erin Young	$49,986	$127,011[(1,2)]	-	-	-	-	$176,997

Notes

1. Sarah Davis and Linda Drysdale each elected to receive 100% of their cash retainer in the form of DSUs. Erin Young elected to receive 40% of her cash retainer in the form of DSUs. The DSUs granted as a result of their respective elections to receive their cash retainer in the form of DSUs represent the fair value effective at each fiscal quarter-end. DSU equivalent units were issued in Fiscal 2022 payable on April 15th, June 15th, September 15th and December 15th in lieu of cash dividends.
2. Amounts include the grant date fair value of DSUs granted in the second quarter of Fiscal 2022 for the annual equity retainer. 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 in Fiscal 2022 payable on April 15th, June 15th, September 15th and December 15th in lieu of cash dividends.

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 DSUPlan.

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 their vested 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 their 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 2022.

Name	Year Joined Board	Number of Shares and Vested Options and DSUs Held (#)[1]	Total Market Value of Equity Holdings ($)[2]	Multiple of Annual Cash Retainer	Equity Ownership Requirement Met[3]
Sarah Davis	2021	7,301	$285,688	3.0	Yes
Linda Drysdale	2021	7,117	$278,488	2.9	N/A[4]
Rick Puckett	2019	43,265	$1,692,960	21.2	Yes
Steven Townsend	2016	57,213	$2,238,745	23.6	Yes
Anthony Truesdale	2019	140,363	$6,301,076	36.0	Yes
Erin Young	2021	7,658	$299,658	3.6	Yes

Notes

1. Based on total directly held Shares, vested share options, vested DSUs and DSUs credited as dividend equivalents at the end of Fiscal 2022.
2. Shares and vested DSUs are valued based on the closing Share price on the TSX on December 30, 2022 of $39.13. Vested options are valued as the difference between the closing Share price on the TSX on December 30, 2022 of $39.13 and the exercise price of the applicable option.
3. Ms. Davis, Mr. Puckett, Mr. Townsend, Mr. Truesdale and Ms. Young exceed or meet the required equity ownership of 3x Annual Cash Retainer as at the end of Fiscal 2022.
4. Ms. Drysdale served as a Director from August 12, 2021 to March 6, 2023. Ms. Drysdale joined the Board in 2021 and was within the permitted period of five years from the date of becoming a Director to meet the equity ownership requirement when she resigned as a Director on March 6, 2023. Ms. Drysdale was appointed Chief Financial Officer of the Company on March 6, 2023.

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 were outstanding at the end of Fiscal 2022. The option-based awards were issued under the ARSOP. 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 (1)	Number of Shares or units of Shares that have not vested (#)	Market or payout value of share-based awards that have not vested(2)	Market or payout value of vested share-based awards not paid out or distributed
Sarah Davis	-	-	-	-	1,628	$63,704	$285,688
Linda Drysdale	-	-	-	-	1,628	$63,704	$278,488
Rick Puckett	-	-	-	-	1,628	$63,704	$261,232
Steven Townsend	-	-	-	-	1,628	$63,704	$261,232
Anthony Truesdale	11,108 72,584	$9.73 $9.73	August 15, 2029 December 12, 2029	$2,460,545	1,628	$63,704	$261,232
Erin Young	-	-	-	-	1,628	$63,704	$299,658

Notes
1. Calculated based on the difference between the closing Share price on the TSX on December 30, 2022 of $39.13 and the exercise price of the options times the number of Shares underlying the unexercised options.
2. Calculated based on the closing Share price on the TSX on December 30, 2022 of $39.13.

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 2022.

Name	Option-Based Awards – Value Vested During the Year(1)	Share-Based Awards – Value Vested During the Year(2)	Non-Equity Incentive Plan Compensation – Value Vested During the Year
Sarah Davis	-	$248,655	-
Linda Drysdale	-	$243,829	-
Rick Puckett	$304,849	$163,360	-
Steven Townsend	$304,849	$163,360	-
Anthony Truesdale	$1,219,394	$163,360	-
Erin Young	-	$201,808	-

Notes
1. Calculated based on the difference between the closing Share price on the TSX on December 30, 2022 of $39.13 and the exercise price of the options times the number of Shares underlying the unexercised options that vested during Fiscal 2022.
2. Calculated based on the closing Share price on the TSX on December 30, 2022 of $39.13 times the number of units under the DSU Plan credited to the Director for fees earned plus dividends up to the end of Fiscal 2022.

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 PVCI in the aggregate amount of US$372,009 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 PVCI the shares so purchased. During Fiscal 2022, the largest amount outstanding under the loans was US$806,733 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 National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") 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 Shareholders.

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

Composition of the Board

In accordance with the Articles, the number of Directors is currently set at 10. 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. The Investor Rights Agreement provides that 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. In 2022, the Principal Shareholders agreed to increase the number of Directors on the Board from nine to 10 Directors. At the Company's annual general meeting of Shareholders held on May 10, 2022, the number of Directors was increased from nine to 10, and 10 Directors were elected 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 meeting of Shareholders.

The Board currently consists of nine Directors: Anthony Truesdale, Sarah Davis, Clayton Harmon, Patrick Hillegass, Kevin Hofmann, Richard Maltsbarger, Rick Puckett, Steven Townsend and Erin Young. Linda Drysdale served as a Director from August 12, 2021 to March 6, 2023. She resigned as a Director and was appointed CFO on March 6, 2023.

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".

Majority Voting Policy

The Board has adopted a majority voting policy (the "**Majority Voting Policy**") to the effect that a nominee for election as a director who does not receive a greater number of votes "for" than votes "withheld" with respect to the election of directors by shareholders will be expected to offer to tender his or her resignation to the Chair of the Board promptly following the meeting of shareholders at which the director was elected. The Governance and Nominating Committee will consider such offer and make a recommendation to the Board whether to accept it or not. The Board will promptly accept the resignation unless it determines, in consultation with the Governance and Nominating Committee, that there are exceptional circumstances that should delay the acceptance of the resignation or justify rejecting it. The Board will make its decision and announce it in a press release within 90 days following the meeting of shareholders. A director who tenders a resignation pursuant to the Majority Voting Policy will not participate in any meeting of the Board or the Governance and Nominating Committee at which the resignation is considered.

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 in respect to 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 the Director 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 their background, employment and affiliations, the Board has determined that four Directors, 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. Five of the nine current members of the Board, Anthony Truesdale (Chair), Sarah Davis, Rick Puckett, Steven Townsend and Erin Young are independent for the purposes of NI 58-101. If elected by the Shareholders, Lawrence Molloy will be 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 Directors 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 of the Board is not independent within the meaning of NI 52-110. The independent Directors 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 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 are 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 meets 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 reviews, monitors and makes 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. Directors are provided with educational presentations and materials by management and consultants of the Company, and are invited to participate in tours of operations. Directors may also attend conferences, seminars and courses to expand their knowledge and skills, and have full access to the Company's records. Directors 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. Directors have access to the Company's in-house and external legal counsel in the event of any questions or matters relating to the Directors' corporate and director responsibilities and to keep themselves current with changes in legislation.

During Fiscal 2022, the Directors received educational and informational briefings on corporate governance and environment, social and governance matters. Director education sessions on cybersecurity and data protection are planned for Fiscal 2023.

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

Assessments

The Governance and Nominating Committee oversees the periodic evaluation of the Board and its committees. 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, the Chair of the Audit Committee, the 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".

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, among other things, 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 Rick Puckett, who is Chair of this committee, Sarah Davis and Steven Townsend. Linda Drysdale was Chair of the Audit Committee from December 9, 2021 to January 27, 2023. She resigned as a Director and was appointed CFO on March 6, 2023. 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 Mr. Puckett, Ms. Davis and Mr. Townsend have been determined by the Board to be independent within the meaning 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 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 auditor 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 auditor and monitors and evaluates on an ongoing basis the independence of the independent auditor by obtaining written confirmation from the independent auditor affirming that it is objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of charted accountants to which the auditor belongs and other applicable requirements.

External audit service fees

For Fiscal 2022 and Fiscal 2021, the Company incurred the following fees with its external auditor, Ernst & Young LLP:

	Fiscal 2022	Fiscal 2021
Audit fees(1)	$735,000	770,000
Audit-related fees(2)	165,000	423,840
Tax fees(3)	135,000	229,890
All other fees(4)	426,828	1,118,657
Total	**$1,461,828**	**$2,542,387**

Notes:

1. The aggregate fees incurred for the annual audit services of the Company under IFRS.
2. The aggregate fees related to interim reviews. Fiscal 2021 also includes fees incurred related to the transition to IFRS.
3. The aggregate fees incurred 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 work undertaken in connection with the Company's Secondary Offerings, translation services and due diligence for an acquisition. Fiscal 2021 also included fees related to work undertaken for the IPO.

For additional details regarding the Audit Committee, see "Directors and Executive Officers – Audit Committee" in the Company's most recent Annual Information Form, available under the Company's profile on SEDAR at wwww.sedar.com.

Compensation Committee

The Compensation Committee consists of a minimum of two Directors. The Compensation Committee 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, Patrick Hillegass and Erin Young. Mr. Harmon and Mr. Hillegass are not considered independent for the purposes of NI 58-101, while Mr. Townsend and Ms. Young are 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 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 CEO and other executive officers and evaluating the performance of the executive officers other than the CEO, 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 CEO in light of the Company's corporate goals and objectives relevant to the compensation of the CEO, and determining the CEO'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 CEO.

5. Reviewing the recommendations of the CEO 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 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. The Governance and Nominating Committee and assists the Board in fulfilling its responsibilities in connection with the composition of the Board, corporate governance policies, the Code (as defined herein), 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 is not considered independent for the purposes of NI 58-101, while Ms. Davis and Ms. Young are 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 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 CEO and other key executive officers.

4. Periodically reviewing and making recommendations to the Board with respect to the position description of the CEO, including the corporate goals and objectives that the CEO has responsibility for meeting, and the basis upon which the CEO 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 CEO in light of the Company's corporate goals and objectives relevant to the compensation of the CEO and providing the results of such evaluation to the Compensation Committee to determine the CEO's compensation level based on this evaluation.

6. Periodically reviewing the Code, disclosure policy of the Company, Insider Trading Policy (as defined herein), Diversity Policy (as defined herein), 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 of 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 CEO and senior management of the Company.

Insider Trading Policy

The Board has adopted an insider trading policy (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 first trading day following the 15th 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.

Executive Clawback Policy

The Board has adopted an executive clawback policy (the "**Executive Clawback Policy**") applicable to the CEO, the CFO, any executive officer of the Company identified in a management information circular of the Company, all Company employees at the vice president level and above, all Company finance department employees at the director level and above, and any other employee specifically designated by the Compensation Committee, (each a "**Specified Officer**"). The Executive Clawback Policy provides for the right of the Company to require disgorgement or reimbursement and/or reduction, cancellation or termination of all or a portion of any bonus, equity-based or other incentive-based compensation awarded or granted to a Specified Officer, as the case may be, of the Company upon the occurrence of one or more Specified Officers having been determined in the discretion of the independent Directors to have engaged in fraud, intentional misconduct or gross negligence, or committed a material breach of the Code, or the Company is required to publicly issue a material accounting restatement of all or a portion of the Company's interim or annual financial statements included in the Company's public disclosure documents (a "**Malfeasance Event**"), in each case in the 36 month period prior to the date on which the Board determines that a Malfeasance Event has occurred.

Enterprise Risk Management

The Board is accountable for overseeing the development of a comprehensive risk management program for identifying, assessing, managing, monitoring, mitigating and reporting on the Company's key risks. Management monitors the business to identify and assess key risks that could have a significant adverse impact on the Company's brand, financial position, or ability to achieve its strategic and business objectives.

Though the Board is ultimately responsible for risk oversight, the Audit Committee oversees the Company's risk management processes and reports to the Board on management's assessment of key risks, including mitigation tactics and control activities.

Additional information on the Company's risk management program and risk factors is included in the MD&A for the year ended December 31, 2022 and Annual Information Form for the year ended December 31, 2022, which are available under the Company's profile on SEDAR at www.sedar.com and at www.petvalu.ca.

Environment Social and Governance ("ESG") Factors

Grounded in "Our Four Paws" service model, our guiding principles at Pet Valu naturally embed ESG factors into everything we do. This includes being directly linked with our core strategic objectives, such that the way we manage ESG factors is correlated to the success of our business.

Oversight of ESG Factors

Activities, initiatives, and the disclosure of ESG matters are overseen by the Governance and Nominating Committee. During Fiscal 2023, in concert with input and oversight of our Governance and Nominating Committee, we plan to publish our first ESG report, which is expected to include a materiality assessment of business risks and opportunities associated with applicable ESG factors, our stated policy on ESG, certain measurements, as well as directional information on likely short-term commitments. In addition, we have designated our executive leadership team, comprising all direct reports of the CEO, to serve as our ESG steering committee, supported by appropriate working groups and accountable executive sponsors, to direct and manage ESG activities initiatives and disclosure, and to provide regular reports to the Governance and Nominating Committee. It is critical that ESG factors are an integral part of all strategic and operational business decisions made by our executive leadership.

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.

Board Diversity

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, two of nine (22.2%) 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 general meeting of Shareholders in 2024, and thereafter, that at least 30% of the members of the Board will identify as women. The Company intends to reinstate its achievement of this target, which was impacted by Ms. Drysdale's recent resignation as a Director and appointment as CFO on March 6, 2023.

Senior Management Diversity

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 (i) is identifying, and will implement policies to address impediments to gender diversity in the workplace, and will review their availability and utilization, (ii) proactively identifies high-potential women for leadership training programs and encourages them to apply for more senior roles, (iii) will develop flexible scheduling programs and other family friendly policies for mid-career women to assist with recruitment and retention, (iv) regularly reviews the proportion of persons at all levels of the Company who are women, (v) monitors the effectiveness of, and continues to expand on, existing initiatives designed to identify, support and develop talented women with senior management potential, and (vi) will continue to identify new ways to entrench diversity as a cultural priority across the Company.

As of the date of this Circular, approximately 70% of Pet Valu employees in management roles identify as women, including over 63% of executive officers, 48% of those with a director title or above (excluding executive officers), and 83% of our Store Managers and District Managers. Approximately 65% of all other Pet Valu employees that are not in management roles also identify as women. 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 and retain high-potential women within the Company and work with them to 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	2 of 9[1]	22.2%[1]
Women in Executive Officer Positions	5 of 8	62.5%

Notes
1. The Board currently consists of nine Directors. Linda Drysdale served as a Director from August 12, 2021 to March 6, 2023. She resigned as a Director and was appointed CFO on March 6, 2023.

	Target		Specific Date for Achievement of Target	Progress in Achieving Target
	Number	%		
Board of Directors	3 of 10	30%	2024 Annual General Meeting of Shareholders	In Progress[1]
Executive Officer Positions	N/A	N/A	N/A	N/A

Notes
1. The Company intends to reinstate its prior achievement of this target, which was impacted by Ms. Drysdale's recent resignation as a Director and appointment as CFO on March 6, 2023.

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 is filed with the Canadian securities regulatory authorities under our profile on SEDAR at www.sedar.com.

Environmental Factors

At Pet Valu, we strive to reduce our environmental footprint, with a focus on energy management and waste reduction. In 2019, lighting at all existing corporate-owned stores and distribution centres was converted to LED, resulting in an approximate 15% reduction in electricity usage per store. Pet Valu realized further energy consumption saving with the implementation of energy management systems, which include smart thermostats and portal-based reporting to monitor and adjust energy consumption, at all existing corporate-owned stores between 2019 and 2021. This resulted in an approximate 15% reduction in natural gas usage and an additional approximate 15% reduction in electricity usage per store.

We have also pursued several initiatives to reduce waste within our supply chain. In 2019, we commenced a comprehensive recycling program for cardboard, pallets, and low-density polyethylene plastic wrap across our distribution centre network. In November 2022, we ceased the sale and distribution of single-use plastic shopping bags at all corporate-owned and franchised locations across Canada, outside of Quebec, resulting in the elimination of seven million bags from circulation annually.

We work to reduce food material waste and seek to improve overall sustainability of the global food supply by identifying value-added use for food materials produced, but not otherwise consumed in the human food supply chain. Our merchants work closely with our manufacturer suppliers to identify specific animal products and by-products that, although not optimal for human consumption, are edible, nutritious, and can be used safely in the production of pet food and treats. Examples include the novel uses of body components, such as the kneecaps and knuckles, that, once properly prepared, are healthy dog chews promoting healthier teeth and chewing habits for certain dog breeds and the use of components less desired by humans, such as lungs, hearts, and kidneys, that provide significant sources of available protein for pets of all types.

Data Privacy & Information Security

Our reputation and ability to acquire, retain and serve our customers are dependent upon the reliable performance of our network infrastructure and our website. We have invested and expect to continue to invest in technology including third-party subscriptions and related network infrastructure to support the uninterrupted operations of our website and internal systems. Pet Valu has implemented a wide range of measures including security consulting and assessments, identity and data protection, incident management, security intelligence and analysis, and security remediation to support availability, integrity and confidentiality of data. Importantly, we do not store customer payment information on our systems. In addition, an independent third-party undertakes an annual audit of our data and cyber security and provides a report to the senior management of Pet Valu.

Our Board has ultimate responsibility for data privacy and information security and has delegated oversight responsibility to the Audit Committee. The Audit Committee receives comprehensive quarterly updates from management, which include details of any significant instances of unauthorised access to or disruption of systems, the results of third-party audits undertaken on our environment, and additional reporting on proactive “phishing” or other simulations the company undertakes to improve employee training and awareness of cybersecurity. As part of the Board’s continuing education, a Director education session on data privacy and information security is planned for Fiscal 2023.

In Fiscal 2022, there were no instances of unauthorised access to confidential or sensitive information, or disruptions to Pet Valu systems.

Next Steps

As noted above, Pet Valu has undertaken an ESG materiality assessment and plans to develop its first ESG report. Starting in Fiscal 2023, Pet Valu will be committing internal resources to enhance our reporting and disclosure on our material ESG issues. As part of this process, we will be working to develop metrics and targets that will help Pet Valu better manage and measure progress on material ESG issues and produce an ESG report that will provide decision-useful information to our stakeholders. In addition, Pet Valu will be undertaking a comprehensive review of our current ESG-related policies to identify where we may need to update our current policies, and to identify areas where we may need to develop and adopt new policies to address emerging ESG issues.

Pet Valu recognises that climate change represents a material business risk, and has a role to play in addressing this global challenge. In Fiscal 2023, we plan to measure our greenhouse gas emissions generated in

Fiscal 2022, with the intention that Fiscal 2022 will facilitate our understanding of the potential impact that climate-related issues may have on our business and serve as Pet Valu's baseline year for benchmarking future performance. Once the impacts of our current activities are understood, Pet Valu intends to develop a climate strategy for our business, including the consideration of setting emissions net reduction target(s) for future periods. Pet Valu will provide decision-useful disclosure to its stakeholders as we work towards the development and implementation of our climate strategy.

Pet Valu's management and Board will continue to monitor the evolution of ESG issues to identify and incorporate emerging ESG issues into Pet Valu's oversight and reporting, as appropriate.

Articles

The 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 under the Company's profile on SEDAR at www.sedar.com. For additional details regarding the content of the 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 under the Company's profile on SEDAR at 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 Annual Financial Statements and MD&A for the Company's most recently completed financial year 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.

Dated as of March 23, 2023.

(signed) "Anthony Truesdale"
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

Updated: May 5, 2022

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.

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. 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, 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 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) 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

(hh) To review the Company's system of internal controls.

(ii) 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

(jj) To, annually, review this Mandate and recommend changes to the Mandate for Board approval.

(kk) 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.

(ll) 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.

(mm) 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

(nn) 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.

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