

Investment Committee - Terms of reference

The Investment Committee of the board of directors of the Company (the "**Board**") has been established with delegated powers in accordance with the articles of association. The Committee will act in accordance with these terms of reference and the articles of association of the Company.

1. Membership

- The members of the Committee shall comprise at least one director of the Company, each of whom shall be appointed by the Board together with any Group colleague members on the recommendation of the Nomination and Corporate Governance Committee.
- The Chairman of the Committee shall be appointed by the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members of the Committee present at a meeting shall elect one of themselves to chair the meeting.
- Appointments to the Committee shall be for a period of up to three years. The members of the Committee may be replaced at such time and on such notice as approved by the Board.
- Only members of the Committee and those entitled to attend as an observer have the right to attend Committee meetings. However, other individuals such as the Chairman of the Board, the Chief Executive Officer and external advisers may be invited to attend all or any part of any meeting as and when appropriate and necessary.
- The Company Secretary or such other individual nominated by the Company Secretary and approved by the Committee shall act as the Secretary of the Committee.
- The quorum for decisions of the Committee shall be any two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any authorities, powers and discretions vested in or exercisable by the Committee.
- Decisions of the Committee shall be made by a simple majority of its members who are in attendance and who are entitled to vote in relation to that decision.

2. Role

Investment in pet care centres, first opinion veterinary surgeries, and specialist referral veterinary centres and other trading properties

Subject to the matters reserved below, the Committee shall:

- review all proposals presented for the acquisition of new pet care centres, stand-alone first opinion veterinary surgeries and specialist referral veterinary

centres and other properties proposed for occupation or use by a Group subsidiary and approve or reject any such proposals as appropriate;

- review and approve or reject material variations to proposed acquisitions of new pet care centres, stand-alone first opinion veterinary surgeries and specialist referral veterinary centres and or other trading properties proposed for occupation or use by a Group subsidiary and which had previously been approved by the Committee;
- (save for works of repair, replacement or installations of a minor nature such as air conditioning or signage repair), review all proposals presented for capital investment in:
 1. Pet care centres including (without limitation) works to install a veterinary surgery into an existing property void, extension of an existing first opinion veterinary surgery and specialist referral veterinary centres;
 2. in-store or stand-alone veterinary surgeries and specialist referral veterinary centres;
 3. other properties occupied or used by a Group subsidiary
- and approve or reject any such proposals as appropriate.

Re-structure of existing pet care centres, first opinion veterinary surgeries, and specialist referral veterinary centres and other trading properties

- review all proposals presented in relation to the re-gearing of any existing pet care centres, first opinion veterinary surgeries and specialist referral veterinary centres or other trading properties occupied or used by a Group subsidiary and approve or reject any such proposals as appropriate;
- review all proposals for the dispositions of all or part of any of the lease on pet care centres, first opinion veterinary surgeries and specialist referral veterinary centres or trading properties proposed for occupation or use by a Group subsidiary including any sub-letting, assignments, surrenders or relocations and approve or reject any such proposals as appropriate; and

Support Offices and National Distribution Centres

- the Committee shall consider any proposals presented in relation to the disposition, relocation, acquisition, extension or material alteration or refurbishment of all or part of any Group Support Offices (including any ancillary offices) or Distribution Centres and shall report to the Board for final approval on the terms of any such matter.

Reserved Matters

Each of the matters referred to in this paragraph which are stated to be for the approval of the Committee shall be subject to the further approval of the Board to the extent

that such matter is reserved to the Board pursuant to the Company's agreed document "Schedule of Matters Reserved for the Board" that has been approved by the Board from time to time.

3. PROCEDURE

- The Committee shall meet at least nine times a year and at such other times as the Chairman of the Committee shall require to discuss matters relating to their remit and issues arising from the audit.
- At least three working days' notice of any meeting of the Committee shall be given to each member, although such notice period may be waived or shortened with the consent in writing of all the members of the Committee for the time being. Notice of the meeting shall confirm the venue, time and date together with an agenda of items to be discussed. Notice shall be sent to each member of the Committee, any other person required to attend and all other non-executive directors. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.
- The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The minutes of the meeting of the Committee shall be circulated to all members of the Committee and, once agreed, to the Board (unless a conflict of interest exists).
- All proceedings of the Committee shall be reported formally to the Board by the Committee Chairman and as part of this, the Chairman shall provide the Board with a monthly summary of such matters.
- The Committee shall conduct an annual review of its work, constitution, performance and these terms of reference to ensure it is operating at maximum effectiveness and shall make recommendations for any changes to the Board. As part of this review the Committee shall consider and compare the actual performance of its investment decisions against any applicable investment plan.
- Any material changes to the terms of any proposal or appraisal provided to the Committee made after the date of approval and prior to the date of any contractual commitment must be represented to the Committee for further approval.
- A reference in these terms of reference to the "**Group**" means the Company, its subsidiaries and its subsidiary undertakings.

As approved by the Board on 26th April 2018.