

Related-Person Transactions Policy

As stated in the **PetSmart Code of Ethics & Business Conduct (the Code)**, PetSmart, Inc. (“PetSmart” or the “Company”) expects its directors, officers and other Associates (“Insiders”) to avoid conflicts of interests that interfere with their primary duty of service to the Company, deprive the Company of that person’s undivided loyalty in business dealings or deprive the Company of a business opportunity. It is critical that PetSmart decisions be made in the best interests of the Company and its stockholders.

Transactions involving an Insider of the Company, where the Company is also a participant, may present actual or potential conflicts of interests or may just create the appearance of a conflict. However, whether or not a conflict exists is often unclear and, in many circumstances, transactions with Insiders may, on the balance, be beneficial to the Company and its stockholders.

While the **Code** addresses these matters generally, we are adopting this Related-Person Transactions Policy (the “Policy”) to set forth the procedures for the identification, review, consideration and approval or ratification of transactions involving the Company and its Insiders. Under the Policy, the Corporate Governance Committee of the Board of Directors shall be responsible for reviewing, considering, approving or ratifying Related-Person Transactions (defined below) and the Chief Executive Officer shall be responsible for reviewing, considering, approving and ratifying transactions between the Company and all other Associates not included in the definition of Related Person below.

A. Definitions.

Under this policy the following terms have the meanings set forth in this section.

1. ***“Related Person”*** means any

- person who is, or at any time since the beginning of the last PetSmart fiscal year was, a director or officer of the Company who is subject to Section 16 of the Securities Exchange Act of 1934 (a “Section 16 Officer”) or a nominee to become a director of the Company;

- “immediate family member” of any of the foregoing, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such person, and any person (other than a tenant or employee) sharing the household of such person; and

- firm, corporation or other entity in which any of the foregoing persons is an executive, partner or principal (or holds a similar control position), or in which such person has a 5% or greater beneficial ownership interest (an “affiliate”).

2. ***"Related-Person Transaction"*** is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company and any Related Person are, were or will be participants. Transactions involving compensation for services provided to the Company as an employee or director shall not be considered Related-Person Transactions under this policy.

B. Identification of Related Person Transactions.

Each director and Section 16 Officer shall identify any proposed Related-Person Transaction involving such director or Section 16 Officer or his or her "affiliates" and "immediate family members" and seek approval from the Committee (defined below of such transaction) pursuant to this policy.

C. Advance Approval of Related Person Transactions.

Under this policy, any proposed transaction that has been identified as a Related-Person Transaction may be consummated or materially amended only following approval by the Corporate Governance Committee in accordance with the provisions of this policy. In the event that it is inappropriate for the Corporate Governance Committee to review the transaction for reasons of conflict of interest or otherwise, after taking into account possible recusals by Committee members, then the Related-Person Transaction shall be approved by the full Board of Directors. The approving body shall be referred to in this policy as the "Committee."

D. Ratification of Related-Person Transactions.

Any Related-Person Transaction, if not a Related-Person Transaction when originally consummated, or if not initially identified as a Related-Person Transaction prior to consummation, shall be submitted to the Committee for review and ratification in accordance with the approval policies set forth above as soon as reasonably practicable. The Committee shall consider whether to ratify and continue, amend and ratify, or terminate or rescind such Related-Person Transaction.

E. Approval Process and Guidelines.

1. In the event the Company proposes to enter into, or materially amend, a Related-Person Transaction, management of the Company shall present such Related-Person Transaction to the Committee for review, consideration and approval or ratification. The presentation shall include, to the extent reasonably available, a description of (a) all of the parties thereto, (b) the interests, direct or indirect, of any Related Person in the transaction in sufficient detail so as to enable the Committee to fully assess such interests (c) a description of the purpose of the transaction, (d) all of the material facts of the proposed Related-Person Transaction, including the proposed aggregate value of such transaction, or, in the case of indebtedness, that amount of

principal that would be involved, (e) the benefits to the Company of the proposed Related-Person Transaction, (f) if applicable, the availability of other sources of comparable products or services, (g) an assessment of whether the proposed Related-Person Transaction is on terms that are comparable to the terms available to or from, as the case may be, an unrelated third party or to employees generally, and (h) management's recommendation with respect to the proposed Related-Person Transaction. In the event the Committee is asked to consider whether to ratify an ongoing Related-Person Transaction, in addition to the information identified above, the presentation shall include a description of the extent of work performed and remaining to be performed in connection with the transaction and an assessment of the potential risks and costs of termination of the transaction, and where appropriate, the possibility of modification of the transaction.

2. The Committee, in approving or rejecting the proposed Related-Person Transaction, shall consider all the relevant facts and circumstances deemed relevant by and available to the Committee, including, but not limited to (a) the risks, costs and benefits to the Company, (b) the impact or appearance of an impact on a director's independence in the event the Related Person is a director, immediate family member of a director or an entity with which a director is affiliated, (c) the terms of the transaction, (d) the availability of other sources for comparable services or products, and (e) the terms available to or from, as the case may be, unrelated third parties or to or from employees generally. The Committee shall approve only those Related-Party Transactions that, in light of known circumstances, are in, or are not inconsistent with, the best interests of the Company and its stockholders, as the Committee determines in the good faith exercise of its discretion.

F. Other Transactions between the Company and Insiders

Insiders other than Related Persons shall identify any proposed transaction between such Insider or his or her immediate family member or affiliate (applying the scope of such definition as set forth above) and present such transaction to the Chief Executive Officer for review, consideration, approval and ratification. The presentation shall include such data and information the Chief Executive Officer reasonably deems appropriate, and may include information of the type described in Section E. 1. above. In approving or rejecting the proposed transaction, the Chief Executive Officer shall consider all relevant facts and circumstances, including those of the type described in Section E. 2. above.