

Plan Summary



PETCO DEFERRED COMPENSATION PLAN

2024 Plan Year



This document summarizes the provisions of the Petco Deferred Compensation Plan (the “Plan”), which offers eligible partners the ability to reduce current taxable income while accumulating wealth for future financial needs. This summary provides details of the Plan for all amounts deferred on or after January 1, 2005.



newportgroup.com

- FIRST-TIME USER ID: YOUR SSN (NO DASHES)
- FIRST-TIME PASSWORD: LAST 4-DIGITS OF YOUR SSN



**800-230-3950 (UNITED STATES) or
704-324-3350 (INTERNATIONAL)**

- WEEKDAYS 5 A.M. - 5 P.M. PT
- AUTOMATED TELEPHONE SYSTEM: 24/7



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ELIGIBILITY

Participation is limited to a select group of highly compensated partners that are actively employed in a position graded as Director level or higher. These partners contribute materially to the continued growth, development and future business success of Petco. Petco at its sole discretion determines who is eligible to participate in the Plan.

ENROLLMENT

You may enroll online at newportgroup.com.

Elections must be submitted during the designated “Enrollment Period” (refer to your enrollment announcement email). You cannot change the amounts you have elected to defer until the next enrollment period.

Please note that your elected deferral amounts will not remain in effect for each subsequent calendar year. You must make an active election during each subsequent annual enrollment period.

DEFERRALS

Each Enrollment Period you may elect to defer a portion of your compensation into the Plan. These amounts are deducted from your compensation before income taxes are applied. Deferrals are credited to your account on a periodic basis consistent with Petco’s payroll cycle.

You may defer:

- Up to 85% of base salary earned in 2024,
- Additional base salary equal to 100% of your 401(k) refund offset (for refunds received in 2024)*, and
- Up to 100% of fiscal year bonus earned from January 29, 2024 through January 27, 2025.

**If you elect to defer 100% of your 401(k)-refund offset, then following the receipt of your refund in 2024 (if any), a portion of your base salary will be withheld from each paycheck over the remainder of the Plan year equal in aggregate to that refund. This amount will be in addition to any base salary deferral election.*

COMPANY CONTRIBUTIONS

Each year a discretionary annual Company match may be made to your account based on the amount of compensation you defer. Such contributions, if any, are credited towards your Retirement Distribution account.



If the discretionary match is approved for the Plan year, the amount of the match will be based on the following formula:

If you are **not** eligible to participate in the Petco 401(k) plan:

- 50% of the participant's salary deferral, not to exceed 3% the participant's annual base salary for that year,
- 50% of the bonus deferral, not to exceed 3% of the participant's performance bonus for that year.

If you are eligible to participate in the Petco 401(k) plan:

- 50% of the participant's salary deferral, not to exceed 1.5% of the participant's annual base salary for that year,
- 50% of the bonus deferral, not to exceed 3% of the participant's performance bonus for that year.

VESTING

You will at all times be 100% vested in your voluntary deferrals, the Company match and any related earnings.

PARTICIPANT ACCOUNTS

You have access to view your account information, including deferrals, earnings, and Company matching contributions on the Plan's website at newportgroup.com. Through the website, you may generate your own personalized statement.

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EARNINGS

Your account will be credited with a rate of return (positive or negative) based on the performance of the investment options you select. The value of your account may increase or decrease depending upon the performance of the selected investment options.

INVESTMENT OPTIONS

You may choose from a menu of investment options representing a broad range of asset classes. The investment menu will be reviewed at least annually, and investment options may be added or deleted at the sole discretion of Petco.

You can retrieve information about the available investments while in your account on newportgroup.com. Start by clicking on *Plans*, then *Investments*, and finally *Investment Performance*. For additional details, click on the “i” symbol next to the specific investment. Fund fact sheets, prospectus information, and investment performance detail are all accessible under the *Investments* tab on newportgroup.com.

Asset Allocation

You may allocate your accounts among the available investment options, both with respect to existing balances and future deferrals, at any time. You may select a different investment allocation for each of your distribution accounts. You may also elect to have rebalancing occur automatically at specified times during the year.

Investment elections are effective on the same business day if the request is submitted prior to 1 p.m. PT. Changes or requests submitted after 1 p.m. PT, or during a weekend or holiday, become effective the following business day. Any unallocated portion of your account balances will be allocated to the lowest risk investment fund.

PAYMENTS FROM THE PLAN

Payments from the Plan will generally begin following your separation from service, disability, or death. However, during each Enrollment Period you may elect an in-service distribution called a Scheduled Distribution. Your distribution alternatives are described in greater detail in the following sections.

Please be sure to inform the Company of any changes in your address, so that timely payments can be made to you. Distributions are considered to be “paid” by the Plan and will be reported to the IRS as wages or earnings on your IRS Form W-2 or 1099-MISC, even if the check is returned uncashed to the Company.



Retirement

With respect to the participant's annual accounts established on or after January 1, 2024, upon separation from service, there is no longer a participant age or years of service requirement to qualify for installment distributions.

Form of Payment

Each year you can elect a new form of retirement distribution for that year's Plan deferral, Company match and related earnings. For example, you might choose to have your 2024 Retirement account paid out in a single lump sum when you retire at age 65, while for your 2025 Retirement account, you might choose to spread payments out over a five-year period to minimize your tax liability.

If you don't make a new distribution election each year during the annual enrollment period, then that year's deferral, Company match and related earnings will be paid as a single lump sum.

Your Retirement account distribution payment options are:

- A single lump sum (default distribution election if you do not select a form of payment), or
- Annual installments* from 2 to 10 years.

**The amount of each installment will equal the balance in your account on the valuation date, divided by the number of remaining installments.*

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Scheduled Distributions - Optional

You can also establish Scheduled Distributions where all or a portion of your elected deferrals, plus investment earnings, attributable to a Plan year would be paid to you while you're still working for the Company. Scheduled Distributions are typically used to save for specific purposes (such as college tuition). All Scheduled Distributions are paid in a single lump sum.

The Scheduled Distribution date must be dated January 1 of a year at least 2 years after the end of the Plan year to which your deferral election relates. By way of example, the earliest Scheduled Distribution date you can elect for your 2024 deferrals is January 1, 2027.

Termination

Upon separation from the Company,

- **If you are not retirement eligible**, you will receive a lump-sum payment comprised of your account balance at separation, including any Scheduled Distributions not yet paid, within 60 days of your termination date.
- **If you are retirement eligible**, any unpaid Scheduled Distributions will be cancelled, and your account balance will instead be paid according to your Retirement account election for that year. Any Retirement account elections that require a lump-sum distribution will be paid within 60 days of your retirement date.
- **Participant's annual accounts established on or after January 1, 2024 will be paid in a single lump sum if the value of all such annual accounts on the date of the participant's separation from service do not exceed fifty thousand dollars (\$50,000).**

Disability

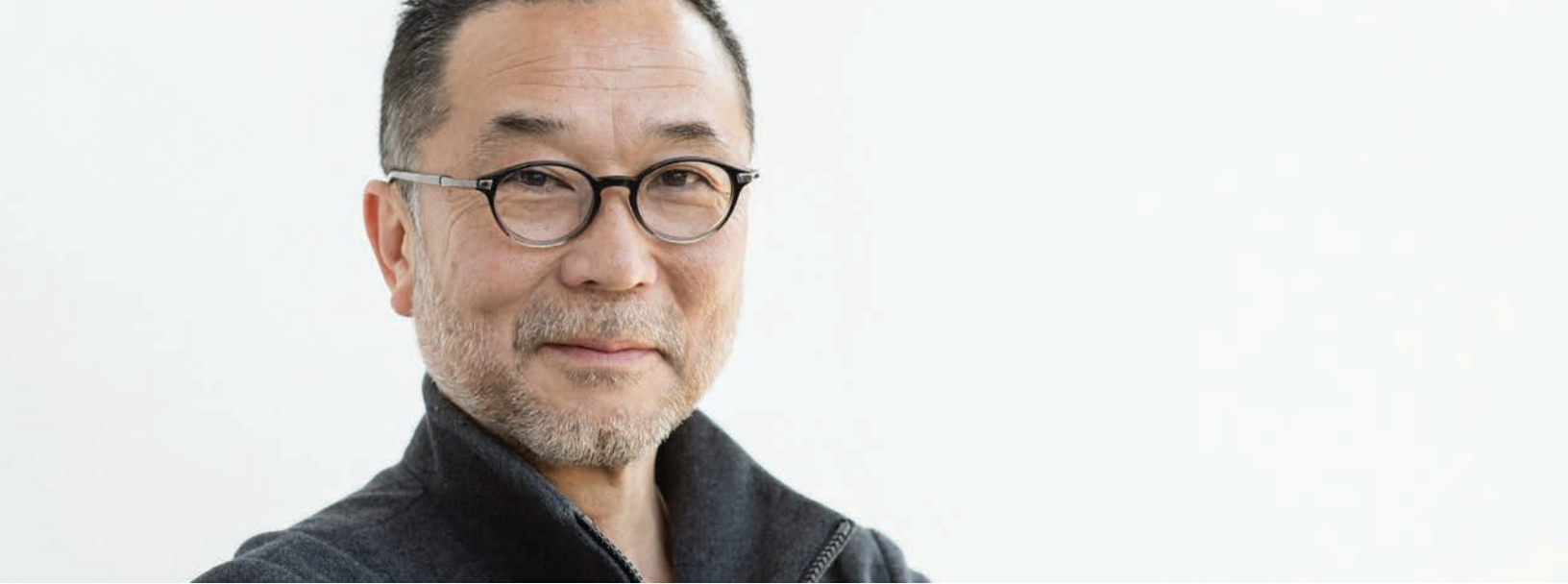
If you become disabled (as determined in accordance with the Plan and applicable tax law), your account balance, including any Scheduled Distributions not yet paid to you, will be paid to you in a single lump sum within 60 days following the date on which you become disabled.

Death

Upon your death, your account balance, (including any Scheduled Distributions not yet paid to you), will be paid to your beneficiary in a single lump sum within 60 days after the Company has been notified or following the date of your death, whichever is later.

Unforeseeable Emergencies

In the event of an unforeseeable financial emergency resulting from an illness or accident involving you, your spouse or dependents, or a beneficiary; a loss of property due to casualty; or other extraordinary and unforeseeable events that are beyond your control, you may request an emergency payment from the Plan up to the amount necessary to satisfy the hardship. You will need to provide documentation



supporting the emergency, and you must not be able to satisfy the hardship through insurance payments or liquidation of assets. Also, you cannot receive a distribution to purchase a home or pay for a child's tuition. All emergency requests require approval by the Plan Committee.

If payment is approved:

- Your payment will be the lesser of the amount you need, including the amount needed to pay taxes on the distribution, or your account balance
- Your outstanding deferral elections under the Plan shall be cancelled
- Payment would be made within 60 days of Plan Committee approval

CHANGING THE DISTRIBUTION DATE OR FORM OF PAYMENT

Retirement

You may change the date and the form of payment for a Retirement account you previously elected (for example, from single lump sum to annual installments or from 2 installments to 10 installments). However,

- Changes must have an effective date at least 12 months prior to your retirement date,
- The distribution date you elect may be no sooner than 5 years after the distribution date you previously elected, and
- Changes will take effect 12 months from the date the new election is submitted.

Example 1:

You are retirement eligible and plan to retire in August of 2024. In February 2024, you would like to make a change to your accounts set to pay beginning upon retirement. You are not eligible to make a change to the distribution date because your retirement date is less than 12 months from the date the election is submitted.

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Example 2:

You plan to retire in May of 2025, at which time, you will be retirement eligible. In December 2023, you would like to make a change to your accounts set to pay beginning upon retirement. You will be eligible to make a change to the distribution date because your retirement date is at least 12 months from the date the election was submitted. The distribution date you elect must be at least 5 years from the distribution date you previously elected.

Scheduled Distributions

You may elect to **change the distribution date** to postpone an existing Scheduled Distribution; however, you may **not make a change to the form of payment**. If you change the distribution date, distribution can begin no sooner than 5 years from the originally scheduled distribution date. Election modifications must be submitted at least 12 months prior to the original distribution date and will take effect 12 months after the distribution modification form is submitted.

Example:

You established a Scheduled Distribution to be distributed on January 1, 2027. To postpone payment to a later date, you must submit your change no later than December 31, 2025 and the earliest distribution date you can elect is January 1, 2032.

TAX INFORMATION

Income Taxes

The Plan has been designed so that your deferrals and other contributions into the Plan—as well as earnings on those amounts—are not subject to federal or state income tax (or income tax withholding) until paid to you.

Payments received from the Plan are subject to federal income taxes. Payments may also be subject to state income taxes.

Earnings on deferred compensation accounts are not subject to the 3.8% Net Investment Income Tax. See www.irs.gov for more information about this tax.



FICA Taxes

Your deferrals are subject to applicable FICA (Social Security and Medicare) withholding at the time of deferral. Company match contributions are subject to applicable FICA tax when credited to your account. Note: for 100% bonus deferral elections, FICA tax will be withheld first and the net result will be deposited into your account. Distributions from the Plan are not subject to FICA taxes or withholding.

FICA withholding may include the .9% Additional Medicare Tax. See www.irs.gov for more information about this tax.

Effects of Plan Participation on Your Social Security Benefits Under Current Law

Your wages will count towards the Social Security “earnings limit” in the year you earn them, regardless of whether or not you defer them into this Plan. Consequently, distributions from the Plan will not affect your Social Security benefits themselves. However, because the distributions will be treated as gross income for federal income tax purposes, they may subject your Social Security benefits to or result in an increase in, federal income taxation. You should discuss these issues with your own personal tax advisor.

Internal Revenue Code Section 409A

The Company has retained counsel and third-party recordkeepers to assist the Company in the design and administration of the Plan, but can provide no guarantees as to the tax treatment of deferrals. Participants are encouraged to consult with their own personal tax advisors before enrolling in the Plan.

Federal tax laws provide that if you don't receive payment according to the Plan and your deferral elections, you may be treated as if your entire vested account balance was payable to you. In addition to income tax on your entire vested Plan account, you may be subject to additional taxes and premium interest penalties back to the year the compensation was earned. Section 409A of the Internal Revenue Code of 1986, as amended, requires the employee, not the employer, to pay all taxes and interest. The IRS permits inadvertent payment errors to be corrected without additional taxes or premium interest if the error is corrected in the same year or, for participants who are not policymaking officers of the

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Company, by the end of the next calendar year. **You are responsible for monitoring your accounts to ensure that your deferrals are correct and that payments you receive from the Plan are in the correct amount and paid as scheduled.** If you have not received the full amount of a payment as scheduled, you must notify your employer no later than 90 days after the end of the calendar year in which payment was due. If you do not receive a response, you must take further action within 180 days of the end of the calendar year. The Company will not reimburse you for additional taxes and penalties if an inadvertent error results in incorrect deferrals or payments and the errors reasonably could have been discovered and corrected through active monitoring of your account.

BENEFICIARY DESIGNATION

You may designate one or more beneficiaries to receive benefits payable upon your death. You may change your beneficiary designation(s) at any time online at newportgroup.com. If you choose a beneficiary other than your legal spouse, a spousal consent form must be completed.

RABBI TRUST

The Company has established a trust (known as a Rabbi Trust) to hold assets to pay Plan benefits. In order for the Plan to qualify for important exemptions under the Employee Retirement Income Security Act ("ERISA") and to maintain the tax-deferred status of participant accounts, assets held in the Rabbi Trust are considered Company assets and are available to satisfy the claims of creditors of the Company. In the event the Company becomes insolvent, you are an unsecured general creditor of the Company with regard to your benefits under the Plan.

To maintain the tax benefits of the Plan, you do not have an ownership interest in the investment options, the Rabbi Trust assets or in any other specific assets of the Company.

ACCOUNT ASSIGNMENT

Federal tax laws prohibit borrowing from your Plan account, pledging your account to secure a loan, or otherwise assigning or transferring your account to another person.

CLAIMS

All claims must be processed under the Plan's claims procedures, set forth in detail in the Plan document. You may obtain a copy of the Plan document from Petco.



PLAN ADMINISTRATION

Petco's Chief Human Resources Officer will delegate authority to an individual(s) who are responsible for interpreting and administering the Plan. Petco has the right to interpret the Plan and resolve all questions involving the Plan. The records of the Plan are kept on a calendar year basis.

The Plan may be amended or terminated by Petco at any time. Amendments will not reduce your benefits under the Plan as of the date of the amendment. If the Plan is terminated, your account will be paid in a single lump sum.

FEDERAL LAWS

The Plan is exempt from most of the requirements of ERISA, but is subject to the rules of Internal Revenue Code Section 409A ("409A") and will be operated and administered according to those rules.

IMPORTANT INFORMATION

Prepared exclusively for the Plan sponsor pursuant to its request. Not for redistribution or public use.

The substance and format of the preceding material was developed by and is the confidential work product of Newport. The purpose is to provide information about the Plan to eligible employees who are considering participation in the Plan for the identified plan year. Any disclosure to parties other than the sponsor, its advisors, eligible employees, their personal tax advisors or accountants or use for any other purpose without the prior written consent of Newport is prohibited.

Examples showing the benefits of participating in the Plan are not intended as a representation about the amount of the benefit an individual participant will receive from the Plan. Illustrations are based on assumptions set forth in the materials such as the amount saved, marginal tax rates and investment returns which likely will not apply in all particulars to an individual participant's situation.

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Plan Participants are responsible for allocating their account balance among the investment options offered under the Plan. There can be no assurance that the investment objective of an investment option will be achieved. Unless expressly provided otherwise, there is no guarantee of a profit or protection against losses. Target-date funds gradually shift their investment allocations from more aggressive allocations to more conservative ones as the stated target date approaches, with the target date approximating an investor's retirement date. An investment in target-date fund is not guaranteed as to return or to provide a specific retirement income. Please refer to the fund prospectus before investing in target-date funds.

Although participants may be required to consent to the purchase of life insurance, no life insurance benefits are provided to participants or their families unless the materials expressly provide otherwise.

Newport and its affiliated companies do not render tax or legal advice, and the material contained in this report should not be interpreted or relied upon as such. You should consult your tax, legal or financial advisors to guide your decisions as a participant in the Plan.

