

PETMED EXPRESS, INC.
COMPENSATION COMMITTEE CHARTER

I. PURPOSE

The primary purposes of the Committee are to oversee the administration of the Company's compensation programs, review the compensation of executive officers and directors, prepare any report on executive compensation required by the rules and regulations of the Securities and Exchange Commission and generally to provide assistance to the Board of Directors on compensation matters.

II. ORGANIZATION

A. The Compensation Committee will be comprised of at least three members, consisting solely of independent directors. A director is "independent" if he or she meets the requirements for independence set forth in the rules of the Nasdaq National Market.

B. The members of the Committee will be appointed by the Board of Directors. A member will serve until either: (i) his or her successor is appointed; (ii) until his or her resignation from the Compensation Committee; (iii) until his or her position on the Compensation Committee is eliminated due to a reduction in the size of the Compensation Committee; (iv) until he or she is removed from the Compensation Committee; (v) until his or her death; or (vi) until his or her service on the Board of Directors terminates. The chairperson of the Compensation Committee will be the member of the Compensation Committee appointed to serve in such capacity by the Board of Directors from time to time.

III. MEETINGS AND REPORTS

The Compensation Committee will meet as frequently as the Compensation Committee deems necessary, but the Compensation Committee will meet at least one time each year. The Committee shall report its activities to the Board of Directors on a regular basis, generally at the next succeeding meeting of the Board of Directors following a meeting of the Committee.

IV. SPECIFIC RESPONSIBILITIES AND AUTHORITY

To carry out its purposes, the Committee shall have the following duties and responsibilities, in addition to any similar matters which may be referred to the Committee from time to time by the Board of Directors or which the Committee raises on its own initiative that will further its purposes:

- In consultation with senior management, establish the Company's general compensation philosophy, and oversee the development and implementation of compensation programs.
- Review and approve corporate goals and objectives relating to the compensation of the Chief Executive Officer ("CEO"), evaluate the performance of the CEO in light of those goals and objectives, and have the sole authority to determine the CEO's compensation level based on this evaluation. In determining the long term incentive component of the CEO's compensation, the Committee will consider, among other factors, the Company's performance and relative shareholder return, the value of similar incentive awards to CEO's at comparable companies, and the awards granted to the CEO in other years. The CEO may not be present during voting or deliberations on his or her compensation.
- Recommend, subject to the approval of the Board of Directors, compensation and benefits for the executive officers and other senior officers of the Company, as designated by the Board of Directors.
- Approve annual incentive plans and merit plans for the officers and employees of the Company.

- Supervise the administration of all current employee benefit plans and any other benefit plans which may from time-to-time be created.
- Grant stock options and other awards of the Company's stock to directors, officers and employees of the Company pursuant to the Company's stock incentive plans as approved by the Company's shareholders and as may from time-to-time be amended.
- In consultation with management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve the tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of 162 (m) of the Internal Revenue Code.
- Review and approve any severance or similar termination payment proposed to be made to any executive officer or other senior officer of the Company.
- Recommend, subject to the approval of the Board of Directors, compensation for the directors.
- Conduct an annual performance evaluation of the Committee.
- Prepare and issue required evaluations and reports.
- Any other duties or responsibilities expressly delegated to the Committee by the Board of Directors from time-to-time.

V. DELEGATION; USE OF ADVISERS

A. The Committee may delegate authority with respect to such of its functions to such officers of the Company or to a subcommittee as it may deem appropriate from time to time, to the extent permitted by law and the applicable rules of the Securities and Exchange Commission, NASDAQ Stock Market and Internal Revenue Code.

B. The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser.

(i) The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee.

(ii) The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee.

(iii) The Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:

- (1) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- (2) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- (3) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;

- (4) any business or personal relationship with the compensation consultant, legal counsel or other adviser with a member of the Committee;
- (5) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- (6) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the advisor with an Executive Officer of the Company.