

## **Code of Business Conduct & Ethics**

This Code of Ethics (the "Code") has been adopted by the Board of Directors (the "Board") of PetMed Express, Inc. (the "Company"), and the Code applies to all Company directors, officers, and employees.

### **PURPOSE:**

The purpose of the Code is to deter wrongdoing and to promote:

- (1) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- (2) Full, fair, accurate, timely and understandable disclosure in the Company's public filings and communications.
- (3) Compliance with applicable governmental laws and regulations.
- (4) The prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code; and
- (5) Accountability for adherence to the Code.

In general, the principles that govern honest and ethical conduct, including the avoidance of conflicts of interest between personal and professional relationships, reflect, at the minimum: (1) the duty in performing any responsibilities to place the interests of the Company ahead of personal interests; (2) the fundamental standard that no director, officer or employee take inappropriate advantage of their positions; (3) the duty to assure that the reports required to be filed by the Company and in the Company's public communications are prepared honestly and accurately in accordance with applicable rules and regulations; (4) the obligation to respect the confidentiality of information acquired in the course one's work except when authorized or otherwise legally obligated to disclose and to ensure that such confidential information (i.e., material non-public information) not be used for personal advantage; and (5) the duties performed by all directors, officers and employees are conducted in an honest and ethical manner.

### **ADMINISTRATION OF THE CODE:**

The Code shall be administered as follows:

#### (1) Responsibility for Administration

The Code shall be interpreted and administered by the Company's Audit Committee (the "Committee"). In discharging its responsibilities, the Committee may engage such agents and advisors as it shall deem necessary or desirable, including but not limited to, attorneys, accountants, and auditors.

#### (2) Scope of Code

The Committee shall periodically, considering the experience of the Company, review the Code. As it deems necessary, the Committee shall make recommendation to the Board to ensure that (a) the Code conforms to applicable law; (b) the Code meets or exceeds industry standards, and (c) any weaknesses in the Code or any other policy of the Company revealed through monitoring, auditing, and reporting systems are eliminated or corrected.

#### (3) Waiver or Amendment of the Code

The Committee may grant a specific, limited waiver of any provision of the Code if the Committee determines, based on information that the Committee deems credible and persuasive, that such a limited waiver is appropriate in the specific circumstances (and each fact situation will be separate case). In determining whether to waive any of the provisions of the Code, the Committee will consider whether the proposed waiver is: (a) prohibited by the Code; (b) prohibited by any federal or state law or regulation (c) consistent with honest and ethical conduct; and (c) likely to result in a conflict of interest between the requestor's personal and professional obligations to the Company. If the Committee waives any provision of the Code, then the Company shall make an immediate disclosure of such waiver in accordance with applicable law. The Code may be amended only by the Board.

#### (4) Reporting of Violations

Any suspected violation of the Code shall be promptly reported to the Committee, and failure to report knowledge of a violation may result in disciplinary action against those who fail to report.

Persons reporting suspected violations of the Code shall be as specific as possible and if possible, shall identify themselves to facilitate investigation of potential violations. Reporting of such violations may be

done anonymously, to the extent possible. To the extent practicable and subject to applicable laws, rules, regulations or legal proceedings, the identity of the person reporting a suspected violation will be kept confidential. The identity of persons against whom allegations of violations are brought will be kept confidential unless or until it has been determined that a violation has occurred.

It shall be a violation of the Code to intimidate or impose any form of retribution on any person who in good faith reports suspected violations of the Code (except that appropriate action may be taken against such person if such person is one of the wrongdoers).

#### (5) Investigation of Violations

If the Committee receives information regarding an alleged violation of the Code, the Committee shall: (a) evaluate such information as to gravity and credibility; (b) initiate an informal inquiry or a formal investigation with respect thereto; (c) if appropriate, prepare a report of the results of such inquiry or investigation, including recommendations as to the disposition of such matter; (d) if appropriate, make the results of such inquiry or investigation available to the public (including disciplinary action); and (e) if appropriate, recommend changes to the Code that the Committee deems necessary or desirable to prevent similar violations of the Code.

#### (6) Disciplinary Measures

The Committee shall enforce the Code through appropriate disciplinary actions. The Committee shall determine whether violations of the Code have occurred and, if so, shall determine the disciplinary measures to be taken against any person who has violated the Code. The disciplinary measures, which may be invoked at the discretion of the Committee, and with approval of the Board of Directors, include, but are not limited to, counseling, oral or written reprimands, warnings, probation, or suspension (with or without pay), demotions, deductions in salary, termination of employment, and restitution.

In determining the appropriate sanction in a particular case, the Committee shall consider all relevant information, including, but not limited to: (a) the nature and severity of the violation; (b) whether the violation was a single occurrence or repeated occurrences; (c) whether the violation appears to have been intentional or inadvertent; (d) whether the person(s) involved had been advised prior to the violation as to the proper course of action; and (e) whether or not the person in question had committed other violations in the past.

The jurisdiction of the Committee shall include, in addition to the person(s) who violated the Code, any other person involved in the wrongdoing including but not limited to: (a) persons who fail to use reasonable care to detect a violation; (b) persons who were requested to divulge information about a suspected violation of the Code, but who withheld material information regarding a suspected violation; and (c) supervisors who approved or condoned the violations or attempt to retaliate against any persons for reporting violations or violators.

#### (7) Record Retention and Confidentiality

All reports and records prepared or maintained pursuant to the Code will be considered confidential and shall be maintained and protected accordingly to the extent permitted by applicable laws, rules and regulations or legal proceedings. Except as otherwise required by law or the Code, such matters shall not be disclosed to anyone other than the Board of Directors and its counsel.

#### (8) Other Policies and Procedures

The Code shall be the sole code of ethics adopted by the Company for purposes of Section 406 of the Sarbanes-Oxley Act and the rules and forms applicable to public companies thereunder. While other policies or procedures of the Company may govern the behavior or activities of the persons who are subject to the Code, they are superseded by the Code to the extent that they overlap or conflict with the provisions of the Code.