



CENTRAL GARDEN & PET COMPANY

**1340 Treat Blvd., Suite 600
Walnut Creek, California 94597**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Tuesday, February 11, 2020, 10:30 A.M.

TO THE STOCKHOLDERS:

The Annual Meeting of Stockholders of Central Garden & Pet Company will be held at the EMBASSY SUITES WALNUT CREEK, 1345 Treat Boulevard, Walnut Creek, California 94597, on Tuesday, February 11, 2020, at 10:30 A.M. for the following purposes:

- (1) To elect ten directors;
- (2) To hold an advisory vote on the compensation of the Company's named executive officers as described in the accompanying proxy statement;
- (3) To ratify the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending on September 26, 2020; and
- (4) To transact such other business as may properly come before the meeting.

Only holders of record of Common Stock and Class B Stock on the books of the Company as of 5:00 P.M., December 13, 2019, will be entitled to vote at the meeting and any adjournment thereof. Holders of Class A Common Stock are welcome to attend and participate in this meeting. A complete list of the Company's stockholders entitled to vote at the meeting will be available for examination by any stockholder for ten days prior to the meeting during normal business hours at the Company's principal executive offices at 1340 Treat Blvd., Suite 600, Walnut Creek, California.

Except for those stockholders who have already requested printed copies of the Company's proxy materials, the Company is furnishing proxy materials for this annual meeting to stockholders through the Internet. On or about December 20, 2019, the Company mailed to stockholders on the record date a Notice of Internet Availability of Proxy Materials (the "Notice"). Certain stockholders who previously requested email notice in lieu of mail received the Notice by email. If a stockholder received a Notice by mail or email, that stockholder will not receive a printed copy of the proxy materials unless such stockholder specifically requests one. Instead, the Notice instructs stockholders on how to access and review all of the important information contained in the Proxy Statement and in the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 2019 (which the Company posted on the Internet on December 20, 2019), as well as how to submit proxies over the Internet. The Company believes that mailing or emailing the Notice and posting other materials on the Internet allow it to provide stockholders with the information they need while lowering the costs of delivery and reducing the environmental impact of the Annual Meeting. If a stockholder received the Notice and would still like to receive a printed copy of the proxy materials, such stockholder may request a printed copy of the proxy materials by any of the following methods: through the Internet at www.proxyvote.com; by telephone at 1-800-579-1639; or by sending an email to sendmaterial@proxyvote.com.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible in accordance with the instructions provided to you to ensure that your vote is counted at the annual meeting.

Dated: December 20, 2019

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "G. Yuhas". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

George A. Yuhas, *Secretary*

CENTRAL GARDEN & PET COMPANY

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PROXY STATEMENT

The Board of Directors of Central Garden & Pet Company (the “Company”) is soliciting proxies to be used at the Annual Meeting of Stockholders on February 11, 2020 (the “Annual Meeting”), for the purposes set forth in the foregoing notice. This proxy statement and, in the case of holders of Common Stock and Class B Stock, the form of proxy were first sent to stockholders on or about December 20, 2019. Holders of Class A Common Stock will receive this proxy statement but will not be entitled to vote at the Annual Meeting of Stockholders or any adjournment thereof.

Pursuant to rules adopted by the Securities and Exchange Commission (the “SEC”), the Company has elected to provide access to proxy materials (consisting of the Notice of Annual Meeting, this Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended September 28, 2019) by posting them on the Internet on December 20, 2019. Therefore, the Company is sending a Notice of Internet Availability of Proxy Materials (the “Notice”) to its stockholders. Starting on the date of distribution of the Notice, all stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request printed copies may be found in the Notice. If a Class B or Common stockholder requests printed versions of the proxy materials by mail, the materials will also include a proxy card or other voting instruction form.

If a Class B or Common stockholder holds shares in its own name as a stockholder of record, such Class B or Common stockholder may vote shares either in person at the meeting or by proxy. To vote in person, Class B or Common stockholders should bring a form of identification, such as a valid driver’s license or passport, and proof that they were a stockholder as of December 13, 2019, and the Company will provide a ballot when such stockholders arrive. To vote by proxy, Class B or Common stockholders should vote in one of the following ways:

- *Via the Internet.* Class B or Common stockholders may vote through the Internet at www.proxyvote.com by following the instructions provided in the Notice.
- *By Telephone.* If a Class B or Common stockholder received proxy materials or requested printed copies by mail, such Class B or Common stockholder located in the United States may vote by calling the toll-free number found on the proxy card.
- *By Mail.* If a Class B or Common stockholder received proxy materials or requested printed copies by mail, such Class B or Common stockholder may vote by mail by marking, dating, signing and mailing the proxy card in the envelope provided.

Voting by proxy will not affect the right of Class B or Common stockholders to vote shares if they attend the Annual Meeting and want to vote in person—by voting in person such Class B or Common stockholders automatically revoke their proxy. Class B or Common stockholders may also revoke a proxy at any time before the applicable voting deadline by giving the Company’s Secretary written notice of revocation, by submitting a later-dated proxy card or by voting again using the telephone or Internet (the latest telephone or Internet proxy is the one that will be counted).

If you vote by proxy, the individuals named as proxyholders will vote the shares as instructed. If a Class B or Common stockholder votes shares over the telephone, such Class B or Common stockholder must select a voting option (“For” or “Withhold” (for directors) and “For,” “Against” or “Abstain” (for Proposals Two and Three)) in order for the proxy to be counted on that matter. If a Class B or Common stockholder validly votes

shares over the Internet or by mail but does not provide any voting instructions, the individuals named as proxyholders will vote such shares FOR the election of the nominees for director, FOR the approval of the compensation of the Company's named executive officers and FOR the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending September 26, 2020.

If shares are registered in street name, Class B or Common stockholders must vote shares in the manner prescribed by the broker, bank or other nominee. In most instances, a Class B or Common stockholder can do this over the telephone or Internet, or if a Class B or Common stockholder has received or requested a hard copy of the proxy statement and accompanying voting instruction form, the Class B or Common stockholder may mark, sign, date and mail the voting instruction form in the envelope the broker, bank or other nominee provides. The materials that were sent to Class B or Common stockholders have specific instructions for how to submit votes and the deadline for doing so. If a Class B or Common stockholder would like to revoke its proxy, such Class B or Common stockholder must follow the broker, bank or other nominee's instructions on how to do so. If a Class B or Common stockholder wishes to vote in person at the Annual Meeting, such Class B or Common stockholder must obtain a legal proxy from the broker, bank or other nominee holding the shares.

VOTING SECURITIES

Only stockholders of record of Common Stock and Class B Stock on the books of the Company as of 5:00 P.M., December 13, 2019, will be entitled to vote at the Annual Meeting.

As of the close of business on December 13, 2019, there were outstanding 11,479,957 shares of Common Stock of the Company, entitled to one vote per share, and 1,652,262 shares of Class B Stock of the Company, entitled to the lesser of ten votes per share or 49% of the total votes cast. There were also outstanding 42,314,415 shares of Class A Common Stock, which generally have no voting rights unless otherwise required by Delaware law. Holders of Common Stock and Class B Stock will vote together on all matters presented to the stockholders for their vote or approval at the meeting.

The holders of a majority of the shares of Common Stock and Class B Stock of the Company entitled to vote, present in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting or any adjournment thereof. Votes cast by proxy or in person at the Annual Meeting will be tabulated by the election inspector appointed for the meeting and will determine whether or not a quorum is present. The election inspector will treat abstentions and broker non-votes as shares that are present and entitled to vote for purposes of determining the presence of a quorum but as unvoted for purposes of determining the approval of any matter submitted to the stockholders for a vote. Under the General Corporation Law of the State of Delaware, stockholders are not entitled to dissenter's rights with respect to any matter to be considered and voted on at the Annual Meeting, and we will not independently provide stockholders with any such right.

With regard to the election of directors, votes may be cast "For" or "Withhold" for each nominee; votes that are withheld will be excluded entirely from the vote and will have no effect. The directors will be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. As a result, if you withhold your authority to vote for any nominee, your vote will not count for or against the nominee, nor will a broker "non-vote" affect the outcome of the election.

Proposal Two is a non-binding vote (an abstention from voting will have the same effect as a vote against the proposals). If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present and entitled to vote with respect to that matter. Therefore, broker non-votes will have no effect on the outcome of the proposal. However, the Board of Directors of the Company will consider whether or not stockholders approve the compensation of executives as described in this Proxy Statement when making future determinations on executive compensation.

The other matters submitted for stockholder approval at the Annual Meeting will be decided by the affirmative vote of a majority of the shares present, in person or by proxy, at the Annual Meeting and entitled to vote on the subject matter. Abstentions are included in the determination of shares present for quorum purposes.

If a stockholder's shares are held in street name and the stockholder does not instruct his or her broker how to vote the shares, the brokerage firm, in its discretion, may either leave the shares unvoted or vote the shares on routine matters. The proposal to ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the current fiscal year should be treated as a routine matter. To the extent a stockholder's brokerage firm votes shares on the stockholder's behalf on that proposal, the shares also will be counted as present for the purpose of determining a quorum.

In order to reduce printing and postage costs for stockholders who request a printed copy of the proxy materials, only one Annual Report and one Proxy Statement will be mailed to multiple stockholders who request a printed copy of the proxy materials sharing an address unless we receive contrary instructions from one or more of the stockholders sharing an address. This practice is commonly referred to as "householding." If your household has received only one Annual Report and one Proxy Statement, we will promptly deliver a separate copy of the Annual Report and the Proxy Statement to any stockholder who sends a written request to Investor Relations at our executive offices, which are located at 1340 Treat Blvd., Suite 600, Walnut Creek, California 94597, or calls (925) 948-4000 and requests such a delivery. If your household is receiving multiple copies of our annual reports or proxy statements and you wish to request delivery of a single copy, you may send a written request to our executive offices at 1340 Treat Blvd., Suite 600, Walnut Creek, California 94597, or call (925) 948-4000 with such a request.

**PROPOSAL ONE
ELECTION OF DIRECTORS**

The persons named below are nominees for director to serve until the next annual meeting of stockholders and until their successors shall have been elected. The nominees are all members of the present Board of Directors. In the absence of instructions to the contrary, shares represented by proxy will be voted for the election of all such nominees to the Board of Directors. If any nominee is unable or unwilling to be a candidate for the office of director at the date of the Annual Meeting, or any adjournment thereof, the proxies will vote for such substitute nominee as shall be designated by the proxies. Management has no reason to believe that any of the nominees will be unable or unwilling to serve if elected. Set forth below is certain information concerning the nominees which is based on data furnished by them.

<u>Nominees for Director</u>	<u>Age</u>	<u>Business Experience During Past Five Years and Other Information</u>	<u>Served as Director Since</u>
John B. Balousek(1)(2)(3)	74	<p>Lead independent director of the Company. Interim Chairman of the Company from July 2015 until October 2016. From 1991 to 1996, Mr. Balousek served as President, Chief Operating Officer and a director of Foote, Cone & Belding Communications, one of the largest global advertising and communications networks, and also in 1996 as Chairman and Chief Executive Officer of True North Technologies, a digital and interactive services company affiliated with True North Communications. Mr. Balousek was also a founding shareholder and strategic contributor to Lenscrafters one-hour optical in the United States, Vision Express in Europe, and a founder of Eyemasters one-hour optical in Canada. Prior to 1991, Mr. Balousek held various management positions with Foote, Cone & Belding Communications and in brand management with the Procter & Gamble Company. Mr. Balousek has also served as a director on multiple boards, including Inuvo, Inc., an online analytics, data and media company, from June 2008 to March 2012, Rabobank NA, a California community bank, and VIB Corp., a bank holding company.</p> <p>As a former President and Chief Operating Officer of a global advertising network, executive in brand management at one of the world’s leading consumer packaged goods organizations, and an experienced director with deep boardroom experience across a range of businesses, Mr. Balousek brings valuable skills and insights to the Company.</p>	2001
William E. Brown(2)(4)	78	<p>Chairman of the Board of the Company from 1980 until February 2018 and from September 2019 and Chief Executive Officer from 1980 to 2003 and from 2007 until 2013.</p>	1980

<u>Nominees for Director</u>	<u>Age</u>	<u>Business Experience During Past Five Years and Other Information</u>	<u>Served as Director Since</u>
Timothy P. Cofer(5)	51	<p>Mr. Brown founded the Company and has extensive management and leadership experience and a deep knowledge of the lawn and garden and pet supplies industries and the financial and operational issues faced by the Company.</p> <p>Mr. Cofer has been the Chief Executive Officer of the Company since October 2019. Mr. Cofer has 30 years of experience in the consumer products industry. Most recently, Mr. Cofer served as Executive Vice President and Chief Growth Officer of Mondelēz International from 2016 to 2019. Prior to that role, he held leadership positions with P&L responsibility in many large domestic and international units including: President, Mondelez Asia Pacific, Middle East Africa from 2013 to 2015, President Kraft Foods Europe from 2011 to 2013, President Kraft Pizza Company 2008 to 2010 and President Oscar Mayer Foods from 2006 to 2007.</p> <p>Mr. Cofer has an extensive track record of growing consumer products businesses both organically and through acquisitions. He has business leadership experience across general management, corporate strategy, marketing, sales, eCommerce, R&D, innovation, cost discipline and M&A in the consumer products industry.</p>	2019
Thomas J. Colligan(3)(4)	75	<p>Mr. Colligan served in executive roles for 38 years at PricewaterhouseCoopers LLP (PwC), including as the firm’s Vice Chairman from 2001 to 2004. After retiring from PwC in 2004, Mr. Colligan worked for two years as managing director at Duke Corporate Education before becoming Vice Dean of Executive Education at the University of Pennsylvania’s Wharton School until 2010. He currently serves on the board of Valiant Integrated Services, a private logistics and services provider, and previously served on the boards of ADT, CNH Global, Office Depot, Inc., Schering Plough Corporation, Educational Management Corporation, Targus Corporation and Anesiva, Inc. Mr. Colligan is a Certified Public Accountant and member of the American Institute of Certified Public Accountants.</p> <p>Mr. Colligan’s qualifications include his 39 years as a Certified Public Accountant, his PwC experience, his extensive experience with audit and financial issues and his past service on public company boards and audit committees.</p>	2015

<u>Nominees for Director</u>	<u>Age</u>	<u>Business Experience During Past Five Years and Other Information</u>	<u>Served as Director Since</u>
Michael J. Edwards(4)(5)	59	<p>Mr. Edwards is President and Chief Executive Officer of Hanna Andersson, a leading digital-first premium children’s apparel and lifestyle brand. He served as Chief Executive Officer of ebags.com, a leading online bag retailer owned by Samsonite, from 2015 to 2017. From 2012 to 2015, Mr. Edwards was the Global Chief Merchandising Officer of Staples, an office supplies retailer. From 2010 to 2011, Mr. Edwards was the President and Chief Executive Officer, and from 2009 to 2010 the Executive Vice President and Chief Merchandising Officer of Borders Group, Inc. Borders Group, Inc. filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code on February 16, 2011. Mr. Edwards serves as a director on the board of Drexel University and previously served as a director of Flexsteel Industries, Inc. until 2019.</p> <p>Mr. Edwards has been a senior executive at a number of major retailers and has significant experience with the transformational impact of e-commerce on consumers, retailers and suppliers.</p>	2017
Michael J. Griffith	62	<p>Mr. Griffith served as Vice Chairman of Activision Blizzard, Inc., a worldwide online, personal computer, console, handheld, and mobile game publisher, from March 2010 to August 2016 and served as President and Chief Executive Officer of Activision Publishing, Inc. (prior to merger with Blizzard Entertainment, Inc.), one of the world’s largest third-party video game publishers from June 2005 to March 2010. Prior thereto, he served in various executive positions at The Procter & Gamble Company, a multinational consumer goods corporation, including as President of the Global Beverage Division, Vice President and General Manager of Coffee Products, and Vice President and General Manager of Fabric & Home Care-Japan and Korea and Fabric & Home Care Strategic Planning-Asia. In addition, Mr. Griffith served as President and Chief Executive Officer of EAT Club, Inc., the largest business-focused online lunch delivery company in the United States, from July 2016 to March 2018. Mr. Griffith is also a director of Dave & Buster’s Entertainment, Inc.</p> <p>As a former senior executive of one of the leading multinational consumer products companies,</p>	2019

<u>Nominees for Director</u>	<u>Age</u>	<u>Business Experience During Past Five Years and Other Information</u>	<u>Served as Director Since</u>
		Mr. Griffith brings extensive experience leading and managing many aspects of large consumer products companies.	
Christopher T. Metz(5)	54	Mr. Metz has served as director and Chief Executive Officer of Vista Outdoor Inc. since October 2017. Prior to joining Vista Outdoor Inc., Mr. Metz served as President and Chief Executive Officer of Arctic Cat Inc., a manufacturer of all-terrain vehicles, recreational off-road vehicles and snowmobiles, from December 2014 to March 2017. He served as a Managing Director of Sun Capital Partners, Inc., a global private equity firm, from 2005 to July 2014. Prior to joining Sun Capital, Mr. Metz worked for Black & Decker, a manufacturer of power tools, accessories, hardware, home improvement products, and technology based fastening systems, for over 13 years, serving in a variety of capacities, including President of its Hardware and Home Improvement Group from 1999 to 2005.	2019
		Mr. Metz has extensive consumer products experience and proven leadership, strategic decision making, and business performance skills and a background in private equity.	
Brooks M. Pennington III(2)(4) . . .	65	Chairman from February 2018 to September 2019. Director of Special Projects for the Company since October 2006. From 1994 through September 2006, Mr. Pennington was the President and Chief Executive Officer of Pennington Seed, Inc., a business which was acquired by the Company in 1998. He also serves on the boards of several private companies.	1998
		Mr. Pennington has over 37 years of work experience in the lawn and garden industry, including 12 years as the former chief executive officer of Pennington Seed, Inc.	
John R. Ranelli(4)	73	Mr. Ranelli served as the Company's Chief Executive Officer from February 2013 to May 2016 and as Acting Principal Financial Officer from February 2016 to September 2016. Mr. Ranelli served as Chairman of the Board of Woolrich, Inc., a global apparel and accessories company, from 2011 until November 2016, and also served as Chief Executive Officer from March 2012 until October 2012. From 2008 to 2012, Mr. Ranelli was engaged in pursuing corporate acquisition opportunities while advising	2010

<u>Nominees for Director</u>	<u>Age</u>	<u>Business Experience During Past Five Years and Other Information</u>	<u>Served as Director Since</u>
Mary Beth Springer(1)(2)(3)	55	<p>companies and private equity firms. From 2007 to 2008, Mr. Ranelli was Chief Executive Officer and President of Mikasa, Inc., a global dinnerware, crystal and home accessories company. From 1999 to 2006, he served as Chairman, Chief Executive Officer and President of FGX International, an optical and jewelry company. Previously, he served in senior executive capacities with Stride Rite Corporation, Deckers Outdoor Corporation, TLC Beatrice and The Timberland Company. Mr. Ranelli serves on the Board of OrthoLite Holdings, LLC and is a member of the Trilantic Capital Partners Advisory Board. He served on the boards of Party City Holdings, Inc. from 2005 to 2008, GNC Corporation from 2006 to 2007 and Deckers Outdoor Corporation from 1994 to 1996.</p> <p>As a former CEO of the Company and an experienced chief executive officer of consumer products companies and a Chairman and director of public and private equity owned companies, Mr. Ranelli has deep knowledge about the Company and extensive experience leading and managing all aspects of mid to large consumer products companies.</p> <p>From 2009 to 2011, Ms. Springer served as Executive Vice President and General Manager of The Clorox Company. She served as Clorox’s Group Vice President – Strategy and Growth from 2007 until 2009. She was Group Vice President and General Manager, Specialty Division from 2005 to 2007 and Vice President and General Manager, Glad Products Business Unit from 2002 through 2004. Ms. Springer joined Clorox in 1990 as associate marketing manager for household products and subsequently held marketing positions of increasing responsibility. Ms. Springer also serves as an independent director of Nature’s Sunshine Products, Inc., a natural health and wellness company.</p> <p>As a former senior executive of one of the country’s leading consumer products companies, Ms. Springer brings significant experience in general management, marketing, sales and branding and many other aspects of the operations of a public company.</p>	2013

- (1) Member of Compensation Committee.
- (2) Member of Succession Committee

- (3) Member of Audit Committee.
- (4) Member of Investment Committee.
- (5) Member of Digital Technology Committee

Recommendation of the Board

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” EACH OF THE DIRECTOR NOMINEES LISTED ABOVE.

FURTHER INFORMATION CONCERNING THE BOARD OF DIRECTORS

Board Independence

Upon consideration of the criteria and requirements regarding director independence set forth in NASDAQ Rule 5605, the Board of Directors has determined that each of Messrs. Balousek, Colligan, Edwards, Griffith, Metz and Ranelli and Ms. Springer meet the standards of independence established by the NASDAQ.

Board Leadership Structure

Under our current leadership structure, the Company has separated the roles of Chairman and Chief Executive Officer. Mr. Brown served as Chairman from founding the Company in 1980 until February 2018 and since September 2019, and Mr. Cofer has served as Chief Executive Officer since October 2019. The Board determined that separating the roles was appropriate given the differences between the two roles as they are presently defined. The Chief Executive Officer is responsible for setting our operating strategy and for our day-to-day leadership and performance, while the Chairman provides guidance to the Chief Executive Officer and leads the Board. In addition, because Mr. Brown is not “independent” within the meaning of the NASDAQ listing standards, the Board has selected a director who is independent to serve as the “lead independent director.”

The Board believes in the importance of independent oversight, which it seeks to ensure through a variety of means, including:

- A majority of the Company’s directors are independent.
- Mr. Balousek acts as the Company’s lead independent director. The lead independent director leads each independent director session of the Board. He also serves as a liaison between the Chairman and the independent directors.
- During each regularly scheduled Board meeting, all independent directors meet in executive session without the presence of any management directors.
- The charters for the audit and compensation committees require that all of the members of those committees be independent.

The Board believes that the separated roles of Chairman and Chief Executive Officer, together with the significant responsibilities of the Company’s lead independent director and other independent directors described above, provide an appropriate balance between leadership and independent oversight.

Committees of the Board

The Company has three standing committees: Audit, Compensation and Investment. The Company has two informal committees: Executive and Digital Technology. The Board does not have a nominating committee or a committee performing the functions of a nominating committee. The entire Board fulfills the function of the nominating committee.

Audit Committee

During fiscal 2019, the members of the Audit Committee were Messrs. Balousek, Colligan (Chairman) and Woeber (until the date of the 2019 annual meeting) and Ms. Springer. The Company’s Board of Directors has determined that Mr. Colligan qualifies as an audit committee financial expert as set forth in Section 407(d)(5) of Regulation S-K promulgated by the SEC and he is independent as such term is defined in the NASDAQ Rules. The functions performed by the Audit Committee include:

- recommending to the Board of Directors the engagement or discharge of the Company’s independent registered public accounting firm;

- reviewing with the independent registered public accounting firm the plan and results of the audit engagement;
- reviewing the Company's system of internal financial and accounting controls;
- reviewing the financial statements of the Company;
- discussing with management and the independent auditors the Company's accounting policies;
- approving the Company's filing of reports with the SEC; and
- inquiring into matters within the scope of its functions.

The Board of Directors has adopted a written Audit Committee charter. The charter is available on the Company's website at www.central.com. The Audit Committee held nine meetings during fiscal 2019.

Compensation Committee

During fiscal 2019, the members of the Compensation Committee were Messrs. Balousek and Ms. Springer (Chairperson). The functions performed by the Compensation Committee include:

- reviewing and making recommendations to the Board of Directors concerning the compensation of officers, directors and key management employees of the Company;
- administering the Company's equity incentive plans;
- evaluating the performance of management and related matters;
- evaluating the mixture of base salary, cash bonus and equity compensation in each executive's total compensation package;
- awarding restricted stock and stock options as a means of linking executives' long-term compensation to the rate of return received by stockholders;
- considering the possible tax consequences to the Company and to the executives when determining executive compensation;
- reviewing and discussing with management the annual Compensation Discussion and Analysis disclosure regarding named executive officer compensation and, based on this review and discussions, recommending whether the Company include the Compensation Discussion and Analysis in its proxy statement and incorporate it by reference in its annual report on Form 10-K; and
- creating and approving an annual Compensation Committee Report to be included in its proxy statement and incorporated by reference in its annual report on Form 10-K.

The Board of Directors has adopted a written Compensation Committee charter. The charter is available on the Company's website at www.central.com. The Compensation Committee held 16 meetings during fiscal 2019.

The Compensation Discussion and Analysis included in this proxy statement includes additional information regarding the Compensation Committee's processes and procedures for considering and determining executive officer compensation.

Investment Committee

The members of the Investment Committee, which was created in February 2017, are Messrs. Brown (Chairman), Colligan, Edwards, Pennington and Ranelli. The functions performed by the Investment Committee include:

- oversight responsibility for determining how to deploy excess available equity and debt capital to maximize shareholder value;

- recommending to the Board investments that it believes will achieve that goal including:
 - acquisitions outside our core business;
 - acquisitions with a purchase price in excess of \$100 million;
 - stock repurchases;
 - investments in other public companies;
 - investments in bonds; and
 - other investments with appropriate risk, reward and returns; and
- responsibility for organization, staffing and oversight of personnel – external and internal – who are engaged in the deployment of excess capital.

The Investment Committee held three meetings during fiscal 2019.

Digital Technology Committee

In August 2018, the Board created the Digital Technology Committee. Currently, Messrs. Edwards, Metz and Cofer serve as members. The function performed by the Digital Technology Committee is to bring continuing Board focus to the challenge to and opportunities for the Company resulting from the development of e-commerce, digital and other technologies. The Digital Technology Committee held one formal meeting during fiscal 2019.

Succession Committee

In February 2019, the Board created the Succession Committee to identify (with the assistance of a leading executive search firm) a successor to Mr. Roeth as CEO. Messrs. Brown, Balousek and Pennington and Ms. Springer served as members. The Succession Committee held 19 formal meetings during fiscal 2019.

Compensation Committee Interlocks and Insider Participation

Messrs. Balousek and Ms. Springer served as members of the Compensation Committee during fiscal 2019. They have no relationship with the Company other than as directors and stockholders. During fiscal 2019, no executive officer of the Company served as a director, or as a member of any compensation committee, of any other for-profit entity that had an executive officer that served on the Board of Directors or Compensation Committee of the Company.

Attendance at Meetings

During fiscal 2019, there were 17 meetings of the Board of Directors. No members of the Board of Directors attended fewer than seventy-five percent of the meetings of the Board of Directors and all committees of the Board on which they served (other than Mr. Metz who attended two-thirds of such meetings). The Company encourages, but does not require, the members of its Board of Directors to attend its annual meeting of stockholders. All members of the Board, who were members at the time, attended the 2019 Annual Meeting of Stockholders.

Stockholder Communications with Directors

The Board of Directors welcomes communications from the Company's stockholders. Stockholders may send communications to the Board, or to any director in particular, c/o Central Garden & Pet Company, 1340 Treat Blvd., Suite 600, Walnut Creek, California 94597. Any correspondence addressed to the Board or to any director in care of the Company's offices is forwarded by the Company to the addressee without review by management.

The Board's Role in Risk Oversight

The Company faces a number of risks, including operational, economic, financial, legal, regulatory and competitive. The Company's management is responsible for the day-to-day management of the risks faced by the Company. While the Board, as a whole, has ultimate responsibility for the oversight of risk management, it administers its risk oversight role in part through the Board committee structure, with the Audit Committee and Compensation Committee responsible for monitoring and reporting on the material risks associated with their subject matter areas.

The Board's role in the Company's risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, economic, financial, legal, regulatory and competitive risks. The full Board (or the appropriate committee in the case of risks that are reviewed by a particular committee) receives these reports from those responsible for the relevant risk to enable it to understand the Company's risk exposures and the steps that management has taken to monitor and control these exposures. When a committee receives the report, the Chairman of the relevant committee typically provides a summary to the full Board at the next Board meeting. This process helps the Board and its committees to coordinate the risk oversight role. The Audit Committee assists the Board in oversight and monitoring of principal risk exposures related to financial statements, legal, regulatory and other matters, as well as related mitigation efforts. The Compensation Committee assesses, at least annually, the risks associated with the Company's compensation policies. The Board also monitors any specific enterprise risks for which it has chosen to retain oversight rather than delegating oversight to one of its committees, such as risks related to cybersecurity.

Compensation of Directors

Members of the Board of Directors who are not employees of the Company received directors' fees consisting of \$60,000 per year and \$1,500 for each Board meeting attended in person. The chairs of the Audit Committee and Compensation Committee each receive additional annual retainer fees of \$15,000 and the lead independent director receives an additional retainer fee of \$35,000. Directors who are not employees of the Company who attend meetings of any of the Company's standing committees receive an additional \$1,500 for each meeting not held on the same day as a Board meeting.

Each non-employee director also receives \$500 for participation in each telephonic meeting of the Board of Directors or any committee of less than three hours and \$1,000 for participation in meetings of three hours or more. The Company pays non-employee directors \$1,500 for each day spent traveling to board and committee meetings, attending subsidiary and division management meetings and conducting plant and facility visits. Mr. Pennington receives similar annual, per meeting and travel fees for his Board service.

Under the Nonemployee Director Equity Incentive Plan, on the date of each Annual Meeting of Stockholders, each non-employee director will be granted a number of (i) options to purchase shares of Class A Common Stock determined by dividing \$200,000 by the closing price of a share of Class A Common Stock on the date of such meeting and (ii) shares of restricted stock determined by dividing \$20,000 by the closing price of a share of Class A Common Stock on the date of such meeting. Mr. Pennington receives similar awards under the 2003 Equity Incentive Plan.

Set forth below is a summary of the compensation earned during fiscal 2019 by the Company's directors, except Mr. Roeth and Mr. Brown, whose compensation is reported below under Executive Compensation – Compensation of Executive Officers.

DIRECTOR COMPENSATION TABLE

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Stock Awards (1)(2)(\$)</u>	<u>Option Awards (1)(2)(3)(\$)</u>	<u>Non-Equity Incentive Plan Compensation(\$)</u>	<u>Change in Pension Value and Nonqualified Deferred Compensation Earnings(\$)</u>	<u>All Other Compensation(\$)</u>	<u>Total(\$)</u>
John B. Balousek	154,250	20,018	43,187	—	—	—	217,455
Thomas J. Colligan	113,000	20,018	43,187	—	—	—	176,205
Michael J. Edwards	134,500	20,018	43,187	—	—	—	197,705
Michael Griffith(4)	33,500	12,728	30,581	—	—	—	76,809
John E. Hanson	143,300	20,018	43,187	—	—	142,000(5)	348,505
Christopher T. Metz(4)	72,000	20,018	43,187	—	—	—	135,205
Brooks M. Pennington	169,000	20,018	43,187	—	—	149,437(6)	381,642
John R. Ranelli	223,000	20,018	43,187	—	—	56,250(7)	342,455
Mary Beth Springer	124,000	20,018	43,187	—	—	—	187,205
Andrew K. Woeber(8)	30,000	—	—	—	—	—	30,000

- (1) This column reflects the aggregate grant date fair value computed in accordance with the FASB Accounting Standards Codification 718 Compensation—Stock Compensation (“ASC 718”). Please refer to Note 13, “Stock-Based Compensation”, in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K filed on November 27, 2019 for the relevant assumptions used to determine the valuation of our stock and option awards.
- (2) In fiscal 2019, the grant date fair values were determined using the closing stock price of Class A Common Stock on the date of grant.
- (3) As of the end of fiscal 2019, Messrs. Balousek, Colligan, Edwards, Griffith, Hanson, Metz, Pennington, Ranelli and Woeber and Ms. Springer held the following options to purchase shares of Class A Common Stock and shares of restricted stock:

	<u>Options</u>		<u>Restricted Stock</u>
	<u>Vested</u>	<u>Unvested</u>	
John B. Balousek	12,299	6,588	—
Thomas J. Colligan	10,200	6,588	—
Michael J. Edwards	6,001	6,588	—
Michael Griffith	—	4,756	476
John E. Hanson	2,391	32,873	21,060
Christopher T. Metz	2,391	4,783	—
Brooks M. Pennington	12,299	6,588	—
John R. Ranelli	12,299	6,588	—
Mary Beth Springer	10,200	6,588	—
Andrew K. Woeber	9,908	1,805	—

- (4) Messrs. Griffith and Metz became directors during the fiscal year (in June 2019 and February 2019, respectively).

- (5) Mr. Hanson resigned from the Company's Board of Directors in July 2019 to join the Company as President Consumer Pet Products. All other compensation for Mr. Hanson includes consulting payments while a director of \$142,000.
- (6) Brooks M. Pennington III is the Company's Chairman and Director of Special Projects and receives compensation as an employee in addition to compensation for his Board service. All other compensation for Mr. Pennington includes salary of \$135,000, the Company's matching contributions under the Company's 401(k) Plan of \$3,232 and medical and life insurance premium payments of \$11,205.
- (7) Consulting fees.
- (8) Mr. Woeber did not stand for re-election at the 2019 Annual Meeting.

Director Nominations

Due to the fact that all directors generally participate in interviewing potential Board members, the Board has determined that it is not necessary at this time to establish a separate nominating committee. As such, the entire Board fulfills the function of nominating additional directors. A majority of the members of the Board have been determined by the Board to be independent under the standards established by NASDAQ. Our screening process generally involves successful completion of interviews with each Board member prior to any candidate being considered for nomination to the Board of Directors. Once potential candidates have successfully progressed through the interview stage, the independent directors will meet in executive session to consider the screened candidates. All director nominees must be selected, or recommended for the Board's selection, by a majority of the independent directors. Mr. Griffith, who was appointed a director in June 2019, and Mr. Metz, who was appointed a director in February 2019, were recommended for consideration as a director by search consultants retained by the Company.

A majority of the members of the Board must be independent directors as defined in NASDAQ Rule 5605(a)(2). When considering potential director candidates, the Board also considers the candidate's knowledge, experience, integrity, leadership, reputation and ability to understand the Company's business. In addition, all director nominees must possess certain core competencies, which may include experience in consumer products, logistics, product design, merchandising, marketing, general operations, strategy, human resources, technology, media or public relations, finance or accounting, or experience as a Chief Executive Officer or Chief Financial Officer. While we do not have a formal diversity policy for Board membership, we look for potential candidates that help ensure that the Board has the benefit of a wide range of attributes.

The Board will consider any director candidate recommended by stockholders, provided that the candidate satisfies the minimum qualifications for directors as described above. Stockholders must submit recommendations to the Company's Secretary for consideration by the Board no later than 120 days before the annual meeting of stockholders. To date, the Board has not received any recommendations for nominees to be considered at the Annual Meeting from any non-management stockholder or group of stockholders that beneficially own five percent or more of the Company's voting stock.

PROPOSAL TWO

ADVISORY VOTE ON THE COMPENSATION OF NAMED EXECUTIVE OFFICERS

Public companies are generally required to include in their proxy solicitations, no less frequently than once every three years, a non-binding resolution subject to stockholder vote to approve the compensation of named executive officers (an “Advisory Vote on Compensation”). As described more fully in the “Executive Compensation” section of this Proxy Statement, including the “Compensation Discussion and Analysis” and the related tables and narrative, the Compensation Committee designs the Company’s executive compensation program to reward, retain and, in the case of new hires, attract executives to support the Company’s business strategy, and achieve its short and long-term goals. At the core of the Company’s executive compensation program is the Company’s pay-for-performance philosophy that links competitive levels of compensation to achievements of the Company’s overall strategy and business goals, as well as predetermined objectives for equity awards. The Company believes its compensation program is strongly aligned with the interests of the Company’s stockholders.

The Company urges stockholders to read the “Compensation Discussion and Analysis” section of this Proxy Statement and the tables and narrative descriptions of the Company’s executive compensation, including the fiscal 2019 compensation of the named executive officers. Highlights of the Company’s executive compensation programs include the following:

- A significant portion (ranging from approximately 42% to 78% in fiscal 2019) of the Company’s executives’ total potential compensation is considered to be “at risk.”
- The executive officers receive long-term equity awards subject to long-term, time-based vesting requirements. These long-term incentive awards constituted up to 59% of the named executives’ total potential compensation in fiscal 2019. The Compensation Committee believes these awards ensure that a significant portion of the executives’ compensation is tied to both short-term financial performance and long-term stock price performance.

The Compensation Committee believes the compensation program for the named executive officers has been instrumental in helping recruit seasoned executives such as the Company’s new Chief Executive Officer, retaining the Company’s senior executives, and aligning their interests with the interests of the Company’s stockholders.

In the last three fiscal years, the Company’s net sales have increased 30.3% from \$1.8 billion in fiscal 2016 to over \$2.4 billion in fiscal 2019, and net income has increased 108.4% from \$44.5 million in fiscal 2016 to \$92.6 million in fiscal 2019.

The Compensation Committee discharges many of the Board’s responsibilities related to executive compensation and continuously strives to align the Company’s compensation policies with the Company’s performance. The Compensation Committee will continue to analyze the Company’s executive compensation policies and practices and adjust them as appropriate to reflect the Company’s performance and competitive needs.

Based on the above, the Board of Directors requests that stockholders indicate their support for the Company’s executive compensation philosophy and practices, by voting in favor of the following resolution:

RESOLVED, that the compensation of the Company’s executive officers as described in this Proxy Statement, including the “Compensation Discussion and Analysis,” the compensation tables and the other narrative compensation disclosures is hereby approved.

The opportunity to vote on Proposal Two is required pursuant to Section 14A of the Exchange Act of 1934. As an advisory vote, the vote on Proposal Two is not binding upon the Company. However, the Compensation

Committee, which is responsible for designing and administering the Company's executive compensation program, and the Board value the opinions expressed by stockholders, and will consider the outcome of the vote when making future compensation decisions for the Company's named executive officers.

Recommendation of the Board

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THIS PROPOSAL.

PROPOSAL THREE
RATIFY THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has selected Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the fiscal year ending September 26, 2020. If stockholders fail to ratify the selection of Deloitte & Touche LLP, the Audit Committee will reconsider the selection. If the selection of Deloitte & Touche LLP is approved, the Audit Committee, in its discretion, may still direct the appointment of a different independent auditing firm at any time and without stockholder approval if the Audit Committee believes that such a change would be in the best interest of the Company and its stockholders.

Recommendation of the Board

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” THE SELECTION OF DELOITTE & TOUCHE LLP AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

Representatives of Deloitte & Touche LLP will be present at the Annual Meeting with the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

The following table lists the aggregate fees billed for professional services rendered by Deloitte & Touche LLP for all “Audit Fees,” “Audit-Related Fees,” “Tax Fees,” and “All Other Fees” for the last two fiscal years.

	Fiscal Year Ended	
	September 29, 2018	September 28, 2019
Audit fees	\$3,134,237	\$3,346,212
Audit-related fees	504,393	297,092
Tax fees	13,258	4,280
All other fees	—	—

Audit Fees

The Audit fees for the fiscal years ended on September 29, 2018 and September 28, 2019 were for professional services rendered for the audits of the Company’s consolidated financial statements, issuance of consents and other assistance in connection with regulatory filings with the SEC.

Audit-Related Fees

The audit-related fees for the fiscal year ended on September 29, 2018 were primarily related to comfort letters related to the Company’s debt and stock offerings and assurance services supporting the Company’s adoption of ASC 606. The audit-related fees for the fiscal year ended on September 28, 2019 were primarily related to assurance services supporting the Company’s adoption of ASC 842.

Audit Committee Authorization of Audit and Non-Audit Services

The Audit Committee has the sole authority to authorize all audit and non-audit services to be provided by the independent registered public accounting firm engaged to conduct the annual audit of the Company’s consolidated financial statements. In addition, the Audit Committee has adopted pre-approval policies and procedures which are detailed as to each particular service, the Audit Committee is informed of each service, and such policies and procedures do not include delegation of the Audit Committee’s responsibilities under the Securities Exchange Act of 1934 to management. The Audit Committee pre-approved fees for all audit and non-audit related services provided by the independent registered public accounting firm in fiscal years 2018 and 2019.

**AUDIT COMMITTEE REPORT
ON AUDITED FINANCIAL STATEMENTS**

Notwithstanding anything to the contrary in any of the Company's previous or future filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate this Proxy Statement or future filings with the Securities and Exchange Commission, in whole or in part, the following report shall not be deemed to be incorporated by reference into any such filing.

The Audit Committee of the Board consists of the directors whose signatures appear below. Each member of the Audit Committee is "independent" as defined in the NASDAQ Rules and Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Audit Committee's general function is to oversee the Company's accounting and financial reporting and internal control processes and the audits of the Company's financial statements, including monitoring the integrity of the Company's financial statements, the independent registered public accounting firm's qualifications and independence, and the performance of the Company's independent registered public accounting firm. Its specific responsibilities are set forth in its charter. The charter is available on the Company's website at www.central.com.

As required by the charter, the Audit Committee reviewed the Company's audited financial statements for the fiscal year ended September 28, 2019 and met with management, as well as with representatives of Deloitte & Touche LLP, the Company's independent registered public accounting firm, to discuss the financial statements. The Audit Committee also discussed with representatives of Deloitte & Touche LLP the matters required to be discussed by Auditing Standards No. 1301, *Communications With Audit Committees*.

In addition, the Audit Committee discussed with representatives of Deloitte & Touche LLP their independence from management and the Company and received the written disclosures and letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence.

Based on these discussions, the financial statement review and other matters it deemed relevant, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended on September 28, 2019.

December 20, 2019

Audit Committee

THOMAS J. COLLIGAN, *Chairman*
JOHN B. BALOUSEK
MARY BETH SPRINGER

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

Fiscal 2019 was a challenging year for the Company. The Company reported mixed financial results and completed two acquisitions. Net sales for fiscal 2019 increased 7.6% from fiscal 2018, but net income declined to \$92.8 million, or \$1.61 per share on a fully diluted basis, compared to net income in fiscal 2018 of \$123.6 million, or \$2.32 per share on a fully diluted basis.

The Company's named executive officers for fiscal 2019 were: George C. Roeth, the former Chief Executive Officer who retired at the end of fiscal 2019; Nicholas Lahanas, Chief Financial Officer; William E. Brown, Chairman of the Board; George A. Yuhas, General Counsel and Secretary; and William Lynch, Senior Vice President.

In fiscal 2019, the Compensation Committee's actions for the named executive officers included:

- *Salary* – Mr. Roeth's base salary of \$975,000 represented an increase of \$137,500, or 16.4%, for fiscal 2019. The Committee also approved increases in base salary of between 2.0% and 15.4% for our other named executive officers, including Messrs. Lahanas, Lynch and Yuhas. Mr. Brown did not receive an increase in base salary.
- *Bonus* – In December 2019, the Committee approved a one-time special cash payment to Mr. Brown in the amount of \$300,000 to recognize the significantly expanded role played by Mr. Brown as an employee during fiscal 2019. Fiscal 2019 bonuses have not yet been determined other than the special payment to Mr. Brown. Fiscal 2018 bonuses ranging from \$160,000 to \$753,750 were paid to Messrs. Roeth, Lahanas, Lynch and Yuhas and Ms. Schwichtenberg, who was a named executive officer during fiscal 2018, reflecting their contributions during that year.
- *Equity awards* – In fiscal 2019, the Committee granted stock options and restricted stock to the named executive officers. Highlights of equity awards made during fiscal 2019 include:
 - Mr. Roeth received two grants of restricted stock (44,120 shares vesting over two years and 25,575 shares vesting over four years) and a stock option grant for 101,080 shares with time vesting over four years; and
 - Mr. Lahanas and Mr. Lynch each received stock option grants for 22,285 shares with vesting over four years, and Mr. Lahanas received a grant of restricted stock for 26,195 shares vesting over five years. Mr. Yuhas received a stock option grant for 16,715 shares with vesting over four years and a grant of restricted stock for 4,300 shares vesting over five years. Mr. Brown received a grant of restricted stock for 11,029 shares vesting over five years.
- *Alignment with Stockholders.* A significant portion (ranging from approximately 42% to 78% in fiscal 2019) of the executive officers' total potential compensation is paid in the form of bonuses or long-term equity awards rather than base salary in order to tie the executives' compensation to both annual financial performance and long-term stock price performance and to align their interests with the interests of the Company's stockholders.

The Committee discharges the Board's responsibilities related to executive compensation and continuously strives to align the Company's compensation policies for executive officers with the Company's performance and stockholders' interests. The Committee will continue to analyze the Company's executive compensation policies and practices and adjust them as appropriate to reflect the Company's performance and competitive needs.

Impact of Say-On-Pay Vote on Compensation Decisions

At the Annual Meeting of Stockholders in February 2017, 63% of the shares voting recommended holding a say-on-pay-vote every three years. As a result, the Board determined to continue to hold a vote every three years, including at the 2020 Annual Meeting. Also, at the Annual Meeting of Stockholders in February 2017, approximately 99% of the shares voting approved the compensation paid to our named executives. Given the overwhelming stockholder support, the Committee determined to continue to approach compensation decisions in substantially the same way as in recent years.

Compensation Objectives

The objectives of the Company's compensation program are to recruit and retain high-caliber executives, and to incentivize those executives to achieve superior financial results for the Company and its stockholders. The Company uses three primary tools to compensate executive officers: base salary, annual bonus and long-term equity compensation. Together they combine to provide an executive's total compensation package. The Company views base salary as a primary indicator of the market value needed to attract and retain executives with the skills and expertise to perform the duties and discharge the responsibilities of their positions. The Committee considers annual bonus as a means of rewarding job performance and utilizes restricted stock and stock options as a means of linking executives' long-term compensation to the Company's long-term performance and as retention devices.

The Company's compensation program rewards executive officers for progress against corporate operating goals and for their individual contributions. A substantial portion of each executive's total compensation opportunity is weighted toward incentive compensation. The Committee believes that this is the most effective means of aligning executive incentives with stockholders' interests and our experience to date supports that conviction.

Process

As described below, the Committee periodically uses surveys and reports prepared internally and by compensation consulting firms to understand the compensation levels and pay structure at peer group companies. The Company's compensation is generally evaluated against the broad range of compensation paid by the peer group; however, the Committee also uses its judgment to determine specific pay levels necessary to attract, retain, focus and motivate executive talent. In exercising this judgment, the Committee looks beyond the market data to include individual job performance and compensation history, future potential, internal comparisons, retention risk for individual executives, and, in the case of new hires, compensation at former employers.

With respect to the compensation of Mr. Roeth, the Company's Chief Executive Officer from June 2016 until September 28, 2019, the Committee retained an independent compensation consultant firm, Pay Governance, in 2016 as part of its process of finalizing the terms of his employment agreement and determining his initial salary, bonus potential, actual bonus and equity compensation. The Committee also retained Pay Governance in 2017, 2018 and 2019 to advise the Committee with respect to Mr. Roeth's compensation for those years. The Committee, with the advice of Pay Governance, made its decisions, with respect to Mr. Roeth's compensation, consistent with his employment agreement.

With respect to the compensation of Mr. Brown, the Company's Chairman, the Committee retained Pay Governance as part of its process of determining his salary for fiscal 2016 given Mr. Brown's transition to part-time employee status, while continuing to provide guidance on acquisitions and other areas that have significant strategic importance and potential impact on shareholder value. With respect to the Company's other executive officers, the Committee receives, evaluates and considers the recommendations of the Chairman of the Board and the Chief Executive Officer and may consult with the Company's Human Resources managers as part of its process of determining compensation. From time to time, the Chairman of the Board and the Chief Executive

Officer may attend portions of meetings of the Committee, although they are not present during Committee deliberations regarding any aspect of their individual compensation nor do they vote with the Committee. Other executive officers generally have no role in making decisions regarding compensation of the Company's executive officers.

The Committee determines base salary and target bonus as of each officer's hire date, and it generally reconsiders both elements on an annual basis. The Committee determines officers' annual bonuses after the Company's financial results for the prior fiscal year are announced. The Committee generally grants each officer stock options and/or shares of restricted stock upon his or her hire date and considers granting additional awards on an annual basis. The Committee generally attempts to grant bonuses or equity compensation to its officers on a standard schedule.

Compensation Consultants and Benchmarking

The Committee has the authority to retain the services of compensation consultants and other advisors, as it deems necessary or appropriate, in connection with the administration of the Company's compensation and employee benefit plans, policies and programs. The Committee has periodically retained the services of a compensation consulting firm to assist the Committee in formulating its recommendations regarding executive compensation.

During fiscal 2016, the Committee engaged Pay Governance to help it evaluate the appropriate mix of compensation for Mr. Roeth and formulate an initial compensation package for Mr. Roeth. The Company's business focus and scope and mix of operations are unique, which limits the usefulness of comparisons using a peer group. Instead, Pay Governance used more generalized reviews of external compensation levels to develop a reference range of compensation. As a result, the information may provide less precision than data derived from more closely analogous peer groups. Pay Governance's reference for comparison purposes included a broad range of consumer products companies, some of which have similar annual sales and EBIT to the Company, but most of which lack similar organizational complexity. In its assessment, Pay Governance considered compensation levels for CEOs at companies of comparable sales revenue and EBITDA, in addition to broader survey data. Some of the companies included in its assessment were Diamond Foods, Cal-Maine Foods, The Fresh Market, Core-Mark and Chiquita Brands.

With respect to Mr. Roeth's employment agreement, Pay Governance advised the Committee in 2016 that in its opinion the total compensation package for Mr. Roeth was appropriate, given his experience level and performance and the strong emphasis on performance-based compensation vs. fixed compensation. The Committee received similar advice from Pay Governance in 2017, 2018 and 2019.

Allocation and Amount

The Company compensates its executives through a combination of annual cash compensation (comprised of base salary and annual bonus) and long-term equity incentive compensation (comprised of stock options or restricted stock grants, or both). The Committee views market competitive base salary and the annual bonus targets as essential for attracting, retaining and motivating executive officers. The Committee also believes that equity incentive compensation is an essential factor in recruiting and retaining top executives and in driving performance over the long term.

The use and relative weights of base salary, annual bonus and long-term equity compensation are based on a subjective determination by the Committee of the effectiveness of each executive in all areas of management, including achievement of the Company's strategic objectives, leadership, operating skills and other attributes. Generally, the Committee views the various elements of compensation as part of one overall package but believes that a majority of the total compensation package should be weighted toward the performance of the Company and stock price appreciation in order to align the interests of management and stockholders. In fiscal

2019, base salary, benefits and perquisites ranged from approximately 22% to 58% of each executive officer's potential compensation, reflecting the importance that the Committee attached to performance-based bonuses and stock price appreciation.

When evaluating corporate performance, the Committee generally considers financial metrics such as net sales, organic sales, earnings before interest and taxes, or EBIT, and net controllable assets and also considers mergers and acquisition performance and performance against long and short-term strategic goals. When evaluating individual performance, the Committee also considers subjective factors such as the individual's overall leadership and management skills, success in attracting, retaining and developing qualified subordinates, success in achieving corporate and strategic objectives, ability to work with peers and supervisors in an effective and collegial manner, as well as numerous other criteria.

When making compensation decisions, the Committee also considers the issue of internal pay equity between the compensation of other Company executive officers and the compensation of the Chief Executive Officer. The Committee also considers issues relating to the corporate tax and accounting treatment of various forms of compensation and the impact of compensation decisions on stockholder dilution.

The Committee continues to subscribe to the philosophy that the overall performance of the Company and its stock price should be the primary areas of consideration when rewarding the Company's top executives. However, the Committee also seeks to ensure that the Company's executive officers are paid competitively with the market so that they remain motivated to stay with the Company and achieve its business and strategic objectives.

Salary

The Committee reviews the base salary of most executive officers each year and generally recommends a modest increase consistent with projected increases for companies nationwide. In some instances, the Committee has adjusted base salaries of individual named executive officers for retention reasons or to maintain internal pay equity and salary integrity among the senior executives. The following table sets forth the base salary for each of our named executive officers in fiscal 2018 and 2019.

<u>Executive Officer</u>	<u>Base Salary</u>		<u>Increase</u>	<u>% Change</u>
	<u>Fiscal 2018</u>	<u>Fiscal 2019</u>		
George C. Roeth	\$837,500	\$975,000	\$137,500	16.4
Nicholas Lahanas	\$390,000	\$450,000	\$ 60,000	15.4
William E. Brown	\$200,000	\$200,000	—	—
George A. Yuhas	\$450,000	\$459,000	\$ 9,000	2.0
William Lynch	\$428,400	\$437,000	\$ 8,600	2.0

In fiscal 2019, Mr. Roeth's base salary was increased to reflect the Committee's assessment of Mr. Roeth's performance in fiscal 2018 and the requirement in his employment agreement that by the beginning of fiscal 2019 Mr. Roeth's total cash compensation – including base salary and bonus – would be not less than \$1,800,000. The Committee also approved a base salary increase for Mr. Lahanas to reflect his very substantial contributions in his first full year as the Company's Chief Financial Officer. In addition, the Committee approved modest increases to the base salaries for Mr. Yuhas and Mr. Lynch in fiscal 2019. Mr. Brown did not receive a salary increase.

Annual Bonus

The Committee determines the bonus awarded to each named executive officer after the end of each fiscal year primarily by considering the financial results of the Company for the given year and the officer's individual

performance and contribution to the Company. The Committee generally sets target bonuses for each named executive officer at the beginning of each fiscal year as a percentage of his or her base salary. The target bonus percentages are generally set at a level which the Committee believes will assure that the executive's total compensation opportunity is attractive enough to motivate superior performance and that the executive is focused on key objectives, as well as being competitive with amounts paid for similar performance in comparable executive positions by the Company's peer companies.

The Committee uses a pre-determined formula based on actual performance against target EBIT, adjusted up or down based on average quarterly net controllable assets, to make the initial calculation of an executive officer's actual bonus compensation, but the Committee retains full discretion to determine annual bonuses up to and beyond or below the amount of such executive officer's bonus potential for the year based on individual performance and other factors. The Committee also considers individual performance, including an executive's overall leadership and his or her contribution to the achievement of annual and long-term financial and strategic goals, such as customer relationships, talent development, teamwork among business units, identification and pursuit of strategic initiatives, cost control efforts and innovation and new product development, among others.

Fiscal 2018 Bonuses. In February 2019, the Committee determined bonuses for the named executive officers based on the Company's performance in fiscal 2018. The following table sets forth the target bonus and actual bonus paid to the following named executive officers for fiscal 2018:

<u>Executive Officer</u>	<u>% of Fiscal 2018 Base Salary</u>		<u>Bonus For Fiscal 2018</u>
	<u>Target</u>	<u>Actual</u>	
George C. Roeth	100%	92%	\$753,750
Nicholas Lahanas	45%	58%	\$225,000
Kay Schwichtenberg	50%	43%	\$160,000
George A. Yuhás	50%	43%	\$191,000
William Lynch	50%	51%	\$182,000

In determining the amount of bonuses awarded to the named executive officers for fiscal 2018, the Committee considered the Company's financial performance in fiscal 2018, their individual performance, and progress made during fiscal 2018 in implementing the Company's strategic initiatives. The Committee awarded an annual bonus of \$753,750 to Mr. Roeth based on the Company's strong financial performance in fiscal 2018 and its assessment of Mr. Roeth's individual performance. Bonuses were awarded to Messrs. Lahanas, Lynch and Yuhás and Ms. Schwichtenberg based on the Company's strong financial performance and for their individual efforts during fiscal 2018.

Fiscal 2019 Bonuses. The Committee has not yet determined the amount of bonuses to be paid to the named executive officers with respect to fiscal 2019. The following table sets forth the target bonus percentages for each of the named executive officers with respect to fiscal 2019:

<u>Executive Officer</u>	<u>% of Fiscal 2019 Base Salary</u>		<u>Bonus For Fiscal 2019</u>
	<u>Target</u>	<u>Actual</u>	
George C. Roeth	100%	(1)	(1)
Nicholas Lahanas	50%	(1)	(1)
William E. Brown	50%	(1)	(1)
George A. Yuhás	50%	(1)	(1)
William Lynch	50%	(1)	(1)

(1) Annual bonuses to be determined.

Under his employment agreement, Mr. Roeth is entitled to a minimum bonus for the last fiscal year of employment equal to 100% of his base salary. The Company will report the fiscal 2019 bonus determinations in a Form 8-K once decisions are made.

William E. Brown One-Time Cash Payment: Mr. Brown is an employee of the Company who provides highly valuable services to the Company based on his experience as the founder of the Company and its former Chief Executive Officer. Mr. Brown does not receive the standard compensation provided by the Company to its non-employee directors. Instead, Mr. Brown receives compensation as an employee for all the services he provides to the Company.

During fiscal 2016, the Committee determined that an appropriate level of compensation for Mr. Brown would be \$600,000 – consisting of an annual salary of \$200,000, a target bonus of 50% of annual salary and an equity award with a value of \$300,000. The Committee’s judgment was based in part on advice received from its independent compensation consultant, Pay Governance, and the Committee’s expectations regarding the significant contributions that Mr. Brown would make as an employee of the Company, including his role as a principal leader of the Company’s M&A initiative.

The Committee maintained the same compensation structure for Mr. Brown in fiscal 2017 and 2018, and, except as described below, in fiscal 2019, in recognition of his role as an employee with principal responsibility for major M&A projects.

In February 2019, Mr. Roeth announced his intention to retire as the Company’s CEO at the end of the Company’s 2019 fiscal year in September 2019. Following Mr. Roeth’s announcement, the Company embarked on an extensive nationwide search for a new CEO, which ultimately led to the selection of Tim Cofer as the Company’s new CEO. Mr. Brown played a critical role in the CEO search process, particularly with respect to the recruitment of Mr. Cofer, the development of a plan for his onboarding, and his integration with the existing management team. In addition, commencing with Mr. Roeth’s announcement in February 2019, Mr. Brown played a significantly expanded role in the management of the Company – particularly with respect to decisions which would affect the future of the Company beyond fiscal 2019. These contributions helped ensure the continuity of the Company’s leadership and business operations during the critical CEO transition process. Mr. Brown has also continued to be a principal leader of the Company’s M&A initiative.

On September 14, 2019, Mr. Brown was elected Chairman of the Board of the Company, resuming the role which he had played prior to February 2018.

In the judgment of the Committee, the significantly expanded role played by Mr. Brown as an employee during fiscal 2019, summarized above, warranted additional compensation relative to Mr. Brown’s regular compensation package. Taking into account the very substantial time commitment made by Mr. Brown during fiscal 2019 to the CEO search, the CEO transition, the Company’s M&A initiative and other strategic, management and operational issues, the Committee determined to make a one-time cash award to Mr. Brown of \$300,000. The Committee intends that this one-time award will be in addition to any bonus the Committee determines that Mr. Brown has earned as part of his regular fiscal 2019 compensation package described above.

Stock Options

The Committee determines the size of executive officers’ initial hire option grants with primary consideration towards making the offer of employment market competitive while consistent with awards granted to other executives. The size of annual option grants to officers is determined in the Committee’s full discretion after giving consideration to the officer’s performance over the prior fiscal year, awards previously granted to the officer, such officer’s accumulated vested and unvested awards, the current value and potential value over time using stock appreciation assumptions for vested and unvested awards, the vesting schedule of the officer’s outstanding awards, comparison of individual awards among executives and in relation to other compensation elements, stockholder dilution and total compensation expense.

In February 2019, the Committee granted Class A common stock options for 101,080 shares to Mr. Roeth, 22,285 shares to Mr. Lahanas and Mr. Lynch and 16,710 shares to Mr. Yuhas. Under the terms of his employment agreement, Mr. Roeth was entitled to receive \$750,000 in Black Scholes value of stock options with respect to fiscal year 2019 in order to provide a strong linkage to shareholder interests. The vesting period for the stock options is 25% per year for four years.

The Company does not have a program or practice of timing option grants in connection with the release of material non-public information.

Restricted Stock

The Company has historically utilized stock options as the principal means of providing its executive officers with long-term equity incentive compensation. However, the Company has also granted restricted stock to executive officers upon the commencement of employment, for retention purposes and for other extraordinary contributions. Generally, restricted stock vests, and the restrictions on transfer lapse, in accordance with a schedule determined by the Committee. The Committee has the authority to accelerate the time at which restrictions lapse, and/or remove restrictions, on previously granted restricted stock.

Under the terms of his employment agreement, Mr. Roeth was entitled to receive at least \$750,000 of Class A restricted stock for fiscal 2019, subject to the achievement of certain performance goals. In fiscal 2019, the Committee awarded Mr. Roeth two grants of restricted stock (44,120 shares vesting over six years and 25,575 shares vesting over four years). The size of the equity grants to Mr. Roeth, which substantially exceeded the requirements of his employment agreement, was intended to provide additional incentive for Mr. Roeth to remain with the Company and to recognize his continuing contributions as CEO. The Committee decided to use time-based vesting, rather than performance-based vesting, for the restricted stock grant for fiscal 2019 in light of the Company's strong performance in fiscal 2018.

In December 2018, Mr. Lahanas was granted 26,195 shares of Class A common stock to recognize his expanded role and increasing contributions to the Company. In February 2019, Mr. Brown was granted 11,029 shares of Class A common stock with a fair value of approximately \$300,000 in accordance with the compensation package approved in 2016. Mr. Yuhas also received a restricted stock grant in fiscal 2019 for 4,300 shares of Class A common stock.

Stock Ownership Requirements and Claw Back Policy

The Company does not have any stock ownership requirements. The Company does not have a policy regarding the recovery or adjustment of awards based on Company performance if a material financial measure considered by the Committee in any particular year is subsequently restated.

Restrictions on Transactions by Directors and Officers

The Company has adopted an Insider Trading Compliance Program (the "Insider Trading Program") which provides guidelines with respect to transactions in the securities of the Company (the "Company Securities") and the handling of confidential information about the Company and the companies with which the Company does business. Under the Insider Trading Program, persons subject to the policy may not engage in short sales of the Company Securities, transactions in put options, call options or other derivative securities, on an exchange or in any other organized market, or hedging or monetization transactions, including the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. The Company discourages placing standing orders on Company Securities. If a person subject to the Insider Trading Program determines that they must use a standing order, the order must be limited to a short duration and should otherwise comply with the restrictions and procedures in the Insider Trading Program.

Post-Employment Arrangements

Under the terms of the Company's employment agreements and non-compete and post-employment consulting agreements, certain named executive officers are entitled to payments and benefits upon the occurrence of specified events, including termination of employment. The specific terms of these arrangements, as well as an estimate of the compensation that would have been payable had they been triggered as of fiscal year-end, are described below in detail in the section titled "Potential Payments Upon Termination" on page 37. The Company's equity-based compensation plans and employment agreements do not provide for special payments to the named executive officers upon a change-in-control of the Company.

The terms of these arrangements were set through individual negotiations with each of the named executive officers. As part of these negotiations, the Committee analyzed the terms of the same or similar arrangements for comparable executives employed by some companies in our peer group. This approach was used in setting the amounts payable and the triggering events under the arrangements. These provisions are intended to provide the individuals with a fixed amount of compensation that would offset the potential risk of leaving their prior employer or foregoing other opportunities to join or remain with the Company. The Committee considers the aggregate potential obligations of the Company in the context of the desirability of hiring the individual and the expected compensation upon joining the Company.

The non-compete and post-termination consulting agreements are intended to protect, to the maximum extent permitted by law, the Company's confidential information, and payments thereunder are conditioned upon the executive not working for one of our principal competitors within a specified period of time following separation from the Company.

Benefits and Perquisites

The Company provides a 401(k) retirement plan and partial matching contributions but does not provide supplemental employee retirement plans or pensions. The Company also provides its executives with benefits such as medical, dental, life and disability insurance and other benefits that are generally available to full time employees. The Company pays for a leased automobile or car allowance for certain named executive officers. Mr. Roeth was entitled to an allowance to cover medical expenses equal to \$15,000 per year in lieu of his participation in the Company's medical plan, and an annual allowance to cover financial planning services equal to \$20,000 per year. The Company also made an annual charitable contribution of \$100,000 in the aggregate to the charity or charities of Mr. Roeth's choosing.

Accounting and Tax Treatment

In determining executive compensation, the Committee considers, among other factors, the possible tax consequences to the Company and to the executives. However, the Committee believes that it is important to retain flexibility in designing compensation programs that meet the Company's stated objectives. For this reason, the Committee will not necessarily limit compensation to those levels or types of compensation that will be tax deductible. The Committee does consider alternative forms of compensation, consistent with the Company's compensation goals, that preserve deductibility.

Section 162(m) of the Internal Revenue Code places a limit of \$1 million on the amount of compensation that we may deduct as a business expense in any year with respect to our most highly paid executive officers. While the Compensation Committee considers the deductibility of compensation as one factor in determining executive compensation, the Compensation Committee believes that it is in the best interests of our stockholders to maintain flexibility in our approach to executive compensation and to structure a program that we consider to be the most effective in attracting, motivating and retaining key executives.

Compensation Committee Report

The Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed that analysis with management. Based on its review and discussions with management, the Compensation Committee recommended to our Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 2019. This report is provided by the following independent directors, who comprise the Compensation Committee:

December 20, 2019

MARY BETH SPRINGER, *Chairperson*

JOHN B. BALOUSEK

Compensation of Executive Officers

Set forth below is the compensation paid to the Company's Chief Executive Officer and Chief Financial Officer and certain other executive officers during our three fiscal years ended on September 28, 2019.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (1)(\$)	Option Awards (2)(\$)	All Other Compensation (3)(\$)	Total (\$)
George C. Roeth <i>Former President and Chief Executive Officer</i> (5)	2019	969,712	(4)	1,895,704	732,830	64,582	3,662,827
	2018	820,673	735,750	750,001	744,203	51,876	3,120,503
	2017	775,000	900,000	699,157	806,054	53,019	3,233,230
Nicholas Lahanas <i>Chief Financial Officer</i>	2019	447,692	(4)	799,995	161,566	10,747	1,420,000
	2018	387,308	225,000	—	143,240	3,701	759,249
	2017	346,246	185,000	401,172	100,735	3,120	1,036,273
William E. Brown <i>Chairman</i>	2019	200,000	300,000(4)	299,989	—	17,041	817,030
	2018	200,000	90,000	299,986	—	14,592	604,578
	2017	200,000	116,000	299,994	—	15,535	631,529
George A. Yuhas <i>General Counsel and Secretary</i>	2019	456,369	(4)	—	121,148	32,036	609,553
	2018	448,092	191,000	—	122,780	26,898	788,770
	2017	450,491	245,000	—	120,907	26,370	842,768
William Lynch <i>Senior Vice President</i> (6)	2019	434,486	23,949(4)	—	161,566	33,968	653,969
	2018	426,139	217,011	—	163,710	28,458	835,318

- (1) This column represents the grant date fair value in accordance with ASC 718. These amounts do not represent the actual value that may be realized by the named executive officers.
- (2) This column represents the grant date fair value in accordance with ASC 718. Please refer to Note 13, "Stock-Based Compensation", in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K filed on November 27, 2019 for the relevant assumptions used to determine the compensation cost of our stock option awards. These amounts do not represent the actual value, if any, that may be realized by the named executive officers.
- (3) The components of the "All Other Compensation" column for fiscal 2019 are detailed in the following table:

Description	Roeth	Lahanas	Brown	Yuhas	Lynch
Company matching contribution to 401(k) plan	\$15,500	\$ 9,865	\$ 5,336	\$ 7,938	\$ 9,574
Medical and life insurance premiums	882	882	11,705	12,098	12,394
Car allowance or lease	13,200	—	—	12,000	12,000
Medical reimbursement	15,000	—	—	—	—
Financial planning allowance	20,000	—	—	—	—
Total	\$64,582	\$10,747	\$17,041	\$32,036	\$33,968

- (4) Bonuses for fiscal 2019 have not yet been determined. The Company will file a Form 8-K under Item 5.02(f) to report the bonuses once the amounts have been determined. The amounts for Mr. Brown and Mr. Lynch reflect special one-time cash payments separate from any annual bonus.
- (5) Mr. Roeth became Chief Executive Officer in June 2016 and retired on September 28, 2019.
- (6) Mr. Lynch became an executive officer in February 2018.

Employment Agreement – George C. Roeth

On May 3, 2016, the Company entered into an employment agreement with Mr. Roeth under which he was entitled to receive an annual salary of \$775,000 and a target bonus equal to 100% of his base salary. He also received a signing bonus of \$500,000. Beginning in fiscal 2019, Mr. Roeth was entitled to a salary plus target bonus for that fiscal year of not less than \$1,800,000. The employment agreement also provided for long-term equity compensation. Each year during the term of the employment agreement, Mr. Roeth was entitled to \$750,000 Black Scholes value of stock options and at least \$750,000 of Class A Common Stock as a restricted stock grant, subject to the achievement of certain performance goals. The vesting period for one of the restricted stock grants and the stock options is 25% per year over the first four years, for the other restricted stock grant is 25% per year over years three through six, and the options expire six years from the date of grant.

Mr. Roeth is entitled to continued vesting of previously granted stock options and restricted stock. Under the terms of a post-employment consulting agreement, Mr. Roeth will provide consulting services for 48 months after termination of his employment with the Company. For these services, Mr. Roeth is entitled to receive \$146,250 on an annual basis.

Employment Agreement – George Yuhas

On March 1, 2011, the Company entered into an Employment Agreement with George A. Yuhas. This employment agreement provides that Mr. Yuhas will receive an annual minimum salary of \$380,000. He is also eligible for an annual bonus, targeted at 50% of base compensation, subject to his and the Company's performance. The agreement has an indeterminate term, unless terminated for his dismissal with cause, death or disability. The Company may terminate Mr. Yuhas' agreement at any time without cause upon 24 months' written notice. If the Company terminates Mr. Yuhas without cause, he will continue to receive his base salary and health insurance benefits for nine months, subject to the execution of a general release of claims. At its option, the Company may pay Mr. Yuhas 24 months' additional salary and benefits in lieu of giving 24 months' notice.

Employment Agreement – William Lynch

Effective October 10, 2016, the Company entered into an Employment Agreement with William Lynch. This employment agreement provides that Mr. Lynch will receive an annual minimum salary of \$420,000. He is also eligible for an annual bonus, targeted at 50% of base compensation, subject to his and the Company's performance. The agreement has an indeterminate term, unless terminated for his dismissal with cause, death or disability. The Company may terminate Mr. Lynch's agreement at any time without cause upon 90 days' written notice. Subject to executing a general release, Mr. Lynch will be entitled to continued vesting of previously granted stock options and restricted stock. Under the terms of a post-employment consulting agreement, Mr. Lynch will provide consulting services for 48 months upon termination of his employment with the Company. For these services, Mr. Lynch will be entitled to receive, on a monthly basis, 30% of his base salary for such consulting services during the first two years after termination of employment with the Company and 15% of his base salary for the following two years.

Employment Agreement – Timothy Cofer

After an extensive search, the Succession Committee of the Board of Directors of the Company (which includes all of the members of the Compensation Committee) identified Tim Cofer as its choice to recommend to the Board of Directors for election as the new CEO of the Company, replacing George Roeth who had announced his retirement effective on September 28, 2019 – the last day of the Company's 2019 fiscal year. The choice was based, among other things, upon the assessment of the Succession Committee and the Board of Directors of Mr. Cofer's leadership abilities, growth orientation, experience and fit with the Company.

At the time of the search, Mr. Cofer was employed by Mondelez International, Inc. (“Mondelez”) as Executive Vice President and Chief Growth Officer. Mr. Cofer had spent over 27 years at Mondelez and its predecessor corporations. Mondelez is a substantially bigger corporation than the Company and compensates its senior executives, such as Mr. Cofer, at levels which are consistent with market practice for large consumer products companies.

At Mondelez, Mr. Cofer had received compensation in excess of the compensation which the Company has paid to its previous CEOs. Mr. Cofer’s compensation in his last year at Mondelez included base salary of \$875,000, target bonus of 100% of base salary, equity grants in the form of performance units, and restricted stock and stock options with an aggregate value of \$2,300,000, as well as participation in a defined benefit pension program.

Mr. Cofer informed the Company that if he were to leave Mondelez he would forfeit much of his previously granted unvested performance units, restricted stock and stock options and give up an additional value which he would have been entitled to under the Mondelez defined benefit pension program if he stayed at Mondelez until age 55 rather than leaving at age 50. The cumulative value of these forfeitures was approximately \$12,000,000.

The Committee’s negotiations with Mr. Cofer resulted in Mr. Cofer’s willingness to accept a compensation package, including the following elements of his fiscal year 2020 target compensation:

- A salary of \$975,000 which is the same as the salary Mr. Roeth received in fiscal 2019 and represents a \$100,000 increase from Mr. Cofer’s salary at Mondelez.
- A target bonus percentage of 100% which is the same as the target bonus percentage of Mr. Roeth and of Mr. Cofer’s bonus percentage at Mondelez.
- Annual equity grants valued at \$2,300,000 (equivalent to the amount of the annual grants he received at Mondelez) consisting of stock options, restricted stock and/or performance units.

In addition, to encourage Mr. Cofer to join the Company as its CEO and replace some of the compensation he forfeited upon leaving his prior employer, as is common practice for such situations, the Committee agreed to a partial replacement of the unvested performance units, restricted stock and stock options granted by Mondelez with a sign-on package consisting of a combination of the following:

- A retention agreement providing for payments of \$1,900,000 per year in cash or Company stock in each of 2021, 2022, 2023, 2024 and 2025 and bearing interest at 8% per year.
- \$1,100,000 of Black Scholes value of fair market value options to purchase Central Class A stock vesting 25% per year commencing on the first anniversary of the date of grant.
- \$1,000,000 cash signing bonus.

In addition, Mr. Cofer agreed to hold, commencing in two years, a number of shares of Central Garden stock equal to four times his annual salary.

The Compensation Committee consulted with Pay Governance, its independent executive compensation advisor, to get its perspective on the compensation package for Mr. Cofer. Pay Governance advised the Compensation Committee that the aggregate pay level proposed for Mr. Cofer is consistent with broadly-acknowledged good governance practices and properly aligned with shareholder interests.

Throughout the negotiations the goal of the Compensation Committee was to structure a package which was compelling enough to attract Mr. Cofer and was also appropriate for the Company’s situation and aligned with shareholder interests.

The Compensation Committee approved the compensation package based on a number of factors including the following:

- The conviction of the members of the Compensation Committee that Mr. Cofer was the ideal choice to be the next CEO of the Company.
- The Compensation Committee's belief that the magnitude of the compensation package was necessary to attract Mr. Cofer.
- Mr. Cofer's willingness to restructure his compensation arrangements in a way which is designed to align with and protect the interest of the Company and all shareholders.
- The sign-on package is a one-time make-whole intended to replace compensation Mr. Cofer would forfeit by leaving his current employer.
- The advice received from Pay Governance.

Based on the foregoing, the Compensation Committee unanimously approved and recommended to the Board of Directors, the proposed compensation package for Mr. Cofer, and the Board subsequently approved Mr. Cofer's employment agreement.

GRANTS OF PLAN-BASED AWARDS

The following table shows all plan-based awards granted to the named executive officers during fiscal 2019, which ended on September 28, 2019. The restricted stock awards identified in the table below are also reported in the Outstanding Equity Awards at Fiscal Year End table, to the extent that they did not fully vest prior to fiscal year end.

Name	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards(1)(\$)
		Threshold (# shares)	Target (# shares)	Maximum (# shares)				
George C. Roeth	2/13/19	—	—	—	44,120(2)(3)	—	1,200,064	
	2/13/19	—	—	—	25,575(2)(4)	—	695,640	
	2/12/19	—	—	—	—	101,080(2)(5)	732,830	
Nicholas Lahanas	12/4/18	—	—	—	26,195(2)(6)	—	799,995	
	2/13/19	—	—	—	—	22,285(2)(5)	161,566	
William E. Brown	2/13/19	—	—	—	11,209(2)(7)	—	299,989	
George A. Yuhas	2/13/19	—	—	—	—	16,710(2)(5)	121,148	
William Lynch	2/13/19	—	—	—	—	22,285(2)(5)	161,566	

- (1) The value of a stock award or option award is based on the fair value as of the grant date of such award determined pursuant to ASC 718. Please refer to Note 13, “Stock-Based Compensation”, in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K filed on November 26, 2019 for the relevant assumptions used to determine the valuation of our stock awards.
- (2) Class A Common Stock.
- (3) The restricted stock vests in increments of 50% on each of February 13, 2024 and 2025.
- (4) The restricted stock vests in increments of 25% on each of February 13, 2020, 2021, 2022 and 2023.
- (5) The options vest in increments of 25% on each of February 13, 2020, 2021, 2022 and 2023.
- (6) The restricted stock vests in increments of one-third on each of December 4, 2021, 2022 and 2023.
- (7) The restricted stock vests in increments of one-third on each of February 13, 2022, 2023 and 2024.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table shows all outstanding equity awards held by the named executive officers at the end of fiscal 2019, which ended on September 28, 2019.

Name	Option Awards					Stock Awards			
	Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards: Number of Shares Underlying Unexercised Options	Option Exercise Price (1)/(\$/Sh)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested (2)/(\$)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Shares, Units or Other Rights That Have Not Vested (\$)
George C. Roeth	48,970(3)	48,971(3)(4)	—	30.94	1/20/23	—	—	—	—
	18,768(3)	56,307(3)(5)	—	36.70	1/19/24	—	—	—	—
	—	101,080(3)(6)	—	27.20	2/13/25	—	—	—	—
	—	—	—	—	—	6,739(3)(7)	188,355	—	—
	—	—	—	—	—	8,080(3)(8)	225,836	—	—
	—	—	—	—	—	3,136(3)(8)	87,651	—	—
	—	—	—	—	—	15,237(3)(9)	425,874	—	—
Nicholas Lahanas	4,500(3)	—	—	10.63	3/31/21	—	—	—	—
	4,500(3)	4,500(3)(12)	—	13.82	1/29/22	—	—	—	—
	6,120(3)	6,120(3)(4)	—	30.94	1/20/23	—	—	—	—
	36,112(3)	10,838(3)(5)	—	36.70	1/19/24	—	—	—	—
	—	22,285(3)(6)	—	27.20	2/13/25	—	—	—	—
	—	—	—	—	—	6,300(3)(13)	176,085	—	—
	—	—	—	—	—	6,400(3)(14)	178,880	—	—
William E. Brown	—	—	—	—	—	26,195(3)(15)	732,150	—	—
	—	—	—	—	—	8,128(3)(16)	227,178	—	—
	—	—	—	—	—	9,696(3)(17)	271,003	—	—
	—	—	—	—	—	8,174(3)(9)	228,463	—	—
George A. Yuhas	—	—	—	—	—	11,029(3)(18)	308,261	—	—
	37,500(3)	—	—	10.63	3/31/21	—	—	—	—
	23,500(3)	11,750(3)(12)	—	13.82	1/29/22	—	—	—	—
	7,345(3)	7,346(3)(4)	—	30.94	1/20/23	—	—	—	—
	3,096(3)	9,290(3)(5)	—	36.70	1/19/24	—	—	—	—
	—	17,610(3)(6)	—	27.20	2/13/25	—	—	—	—
William Lynch	9,795(3)	9,795(3)(4)	—	30.94	1/20/23	—	—	—	—
	4,128(3)	12,387(3)(5)	—	36.70	1/19/24	—	—	—	—
	—	22,285(3)(6)	—	27.20	2/13/25	—	—	—	—
	—	—	—	—	—	29,762(3)(19)	831,848	—	—

- (1) All options were granted at the closing market price on the date of grant.
- (2) Market value was calculated based on the closing sale price of \$27.95 per share for the Class A Common Stock on September 27, 2019, the last trading day in fiscal 2019.
- (3) Class A Common Stock.
- (4) The options vest in increments of 50% upon of each of January 20, 2020 and 2021.
- (5) The options vest in increments of one-third upon each of January 19, 2020, 2021 and 2022.
- (6) The options vest in increments of 25% upon each of February 13, 2020, 2021, 2022 and 2023.

- (7) The restricted stock vests on June 1, 2020.
- (8) The restricted stock vests in increments of 50% on each of January 20, 2020 and 2021.
- (9) The restricted stock vests in increments of one-third on each of January 19, 2020, 2021 and 2022.
- (10) The restricted stock vests in increments of 25% upon each of February 13, 2020, 2021, 2022 and 2023.
- (11) The restricted stock vests in increments of 50% on each of February 13, 2024 and 2025.
- (12) The options vest on January 29, 2020.
- (13) The restricted stock vests in increments of one-third on each of March 7, 2020, 2021 and 2022.
- (14) The restricted stock vests in increments of one-third on each of May 16, 2020, 2021 and 2022.
- (15) The restricted stock vests in increments of one-third on each of December 4, 2021, 2022 and 2023.
- (16) The options vest in increments of 50% upon of each of August 16, 2020 and 2021.
- (17) The restricted stock vests in increments of one-third on each of January 20, 2020, 2021 and 2022.
- (18) The restricted stock vests in increments of one-third on each of February 13, 2022, 2023 and 2024.
- (19) The restricted stock vests in increments of 50% on each of August 2, 2020 and 2021.

OPTION EXERCISES AND STOCK VESTED

The following table shows all stock options exercised and the value realized upon exercise, and all stock awards vested and the value realized upon vesting, by the named executive officers during fiscal 2019, which ended on September 28, 2019.

<u>Name</u>	<u>Option Awards(1)</u>		<u>Stock Awards(1)</u>	
	<u>Number of Shares Acquired on Exercise</u>	<u>Value Realized on Exercise (\$)</u>	<u>Number of Shares Acquired on Vesting</u>	<u>Value Realized on Vesting (\$)</u>
George C. Roeth	14,546	192,880	—	—
	—	—	5,109	183,362
	—	—	4,040	144,996
	—	—	1,568	56,276
	—	—	6,739	173,125
Nicholas Lahanas	—	—	3,153	86,329
William E. Brown	—	—	4,063	86,583
George A. Yuhas	—	—	—	—
William Lynch	—	—	14,881	351,192

(1) Company Class A Common Stock.

Nonqualified Deferred Compensation

None of the named executive officers participates in any non-qualified deferred compensation plan.

Equity Compensation Plan Information

The following table gives information about the Company's Common Stock and Class A Common Stock that may be issued upon the exercise of options, warrants and rights under its existing equity compensation plans as of September 28, 2019.

<u>Plan Category</u>	<u>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</u>	<u>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</u>	<u>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</u>
	(a)	(b)	(c)
Equity compensation plans approved by security holders	2,548,911(1)	\$25.32	15,283,270(2)
Equity compensation plans not approved by security holders ...	—	—	—
Total	2,548,911(1)	\$25.32	15,283,270(2)

(1) Includes 2,434,712 shares of Class A Common Stock issuable upon exercise of options granted under the 2003 Omnibus Equity Incentive Plan and 114,199 shares of Class A Common Stock issuable upon exercise of options granted under the Nonemployee Director Equity Incentive Plan.

(2) Includes 4,458,492 shares of Common Stock and 10,044,403 shares of Class A Common Stock available for issuance under the 2003 Omnibus Equity Incentive Plan 109,728 shares of Common Stock and 670,647

shares of Class A Common Stock available for issuance under the Nonemployee Director Equity Incentive Plan.

Potential Payments Upon Termination or Change-In-Control

Some of our executive officers have employment agreements with us. Such employment agreements are terminable at any time. Under these agreements, if an executive is terminated by us without “cause” the executive is entitled to a lump sum payment plus continuation of all benefits associated with the executive’s employment as provided below. The term “cause” is defined in each executive’s employment agreement and generally means (a) an act or omission constituting negligence or misconduct which is materially injurious to the Company; (b) failure to comply with the lawful directives of the Board of Directors; (c) a material breach of the employment agreement by the executive officer, which is not cured within 30 days after written notice thereof; (d) failure to perform in a manner acceptable to the Company after written notice and an opportunity to cure; (e) the abuse of alcohol or drugs; (f) fraud, theft or embezzlement of Company assets, criminal conduct or any other act of moral turpitude by which is materially injurious to the Company; (g) a material violation of any securities law, regulation or compliance policy of the Company; and (h) death of the executive officer or incapacity of the executive officer exceeding four (4) months.

SEC regulations require that the Company estimate the value of severance benefits payable to the named executive officers assuming that the triggering event (a termination without cause) occurred on September 28, 2019, the last day of the Company’s 2019 fiscal year.

As a general matter, potential payments upon termination or change in control are not part of the Company’s compensation objectives and are not used, except (i) when necessary to recruit new executives and (ii) to secure non-compete and post-termination consulting agreements that are intended to protect the Company’s confidential information and are conditioned upon the executive not going to work for one of the Company’s principal competitors. The Company’s equity-based compensation plans and employment agreements do not provide for special payments to the Company’s named executive officers upon a change-in-control of the Company. As a result, the Compensation Committee’s decisions regarding other compensation elements are not impacted by these arrangements.

<u>Name</u>	<u>Salary Continuation</u>	<u>Post-Employment Consulting Payments</u>	<u>Health and Employee Benefits</u>	<u>Guaranteed Bonus</u>	<u>Equity Vesting(2)</u>	<u>Total</u>
George C. Roeth(1)	—	\$585,000	—	\$975,000	\$2,951,502	\$4,511,502
Nicholas Lahanas	—	—	—	—	—	—
William E. Brown	—	—	—	—	—	—
George A. Yuhas(3)	\$344,250	\$ 68,650	\$8,039	—	—	\$ 421,139
William Lynch	—	\$393,300	—	—	\$ 848,562	\$1,241,862

- (1) Because Mr. Roeth resigned on the last day of fiscal 2019, the amounts in the table represent the actual amounts paid or payable to Mr. Roeth.
- (2) The value of restricted stock and options issued for which vesting would be extended in connection with a termination is calculated based on the closing sale prices on September 27, 2019, the last trading day in fiscal 2019 of \$27.95 for Class A Common Stock.
- (3) The Company is required to provide Mr. Yuhas with 24 months’ notice before a termination without cause. At its option, the Company may pay Mr. Yuhas 24 months’ additional salary and benefits, or approximately \$941,317 in lieu of giving 24 months’ notice.

George A. Yuhas

Mr. Yuhas is a party to a Post-Employment Consulting Agreement pursuant to which he has committed to make himself available to the Company for consulting services for 10 hours per month for one year after

termination of employment with the Company. Mr. Yuhas will receive approximately \$5,738 per month (subject to changes in Mr. Yuhas' base salary) for such consulting services. This agreement contains confidentiality and non-competition provisions.

William Lynch

Mr. Lynch is a party to a Post-Employment Consulting Agreement pursuant to which he has committed to make himself available to the Company for consulting services for 40-50 hours per month for the first two years after termination of employment with the Company and for 20-30 hours per month for the following two years. Mr. Lynch will receive approximately \$10,925 per month for such consulting services during the first two years after termination of employment with the Company and \$5,463 per month for the following two years. This agreement contains confidentiality and non-competition provisions.

CEO Pay Ratio

The annual total compensation of George Roeth, our former Chief Executive Officer, was \$3,668,702 in fiscal 2019, as reflected in the Summary Compensation Table above. Based on reasonable estimates, the median annual total compensation of all employees of the Company and its subsidiaries, excluding its Chief Executive Officer, was \$43,543 for fiscal 2019. Accordingly, for fiscal 2019, the ratio of the annual total compensation of the Company's Chief Executive Officer to the median of the annual total compensation of all our other employees (the "Pay Ratio") was 84 to 1. Mr. Roeth's annual total compensation does not include any annual bonus earned for fiscal 2019 as such bonus has not been determined as of the date of this proxy statement. If the target amount of Mr. Roeth's bonus was included in his annual total compensation, then the Pay Ratio would have been 107 to 1.

To identify the median employee and the annual total compensation of the median employee, the methodology and the material assumptions, adjustments and estimates that the Company used were as follows:

- The Company selected September 28, 2019, which is within the last three months of fiscal year 2019, to identify its employee population.
- As permitted by SEC rules, in identifying our employee population, the Company excluded a total of 413 employees of two companies that it acquired during fiscal 2019, C&S Products and Arden Companies. The Company also excluded a total of 122 employees located in the following international jurisdictions representing in the aggregate less than 5% of its employee population as a whole: Canada (4 employees); Mexico (59 employees); and the United Kingdom (59 employees).

The employee population, prior to taking into consideration these exclusions, consisted of approximately 5,910 individuals. The employee population, after taking into consideration these exclusions, consisted of approximately 5,375 individuals.

- To identify the median employee from its employee population, the Company selected total taxable cash compensation as the measure of compensation.
- The Company then determined its median employee and calculated the annual total compensation of this employee for fiscal 2019 based on the Summary Compensation Table rules.

Review, Approval or Ratification of Transactions with Related Persons

The Company's Board of Directors has adopted a written related person transactions policy. The Audit Committee reviews the material facts of all interested transactions that require the Audit Committee's approval and either approves or disapproves of the entry into any transaction in which (1) the aggregate amount involved will or may be expected to exceed \$120,000 in any calendar year, (2) the Company is a participant, and (3) any executive officer, director or greater than five percent beneficial owner of the Company's Common Stock (or an

immediate family member of any of the foregoing) has or will have a direct or indirect interest. In determining whether to approve or ratify an interested transaction, the Audit Committee will take into account, among other factors it deems appropriate, whether the interested transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related party's interest in the transaction. If a director is a related party of an interested transaction he or she does not participate in any discussion or approval of that interested transaction, except that the director is required to provide all material information concerning the interested transaction to the Audit Committee. If an interested transaction will be ongoing, the Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the related party. Thereafter, the Audit Committee, on at least an annual basis, will review and assess ongoing relationships with the related party to confirm that they are in compliance with the Committee's guidelines and that the interested transaction remains appropriate.

Transactions with the Company

William E. Brown

In October 2019, Mr. Brown granted an option to the Company to purchase his interest in Diamond Fork Enterprises, LLC ("Diamond Fork") for a two year period at a price equal to his acquisition costs. Diamond Fork is the licensee of a patented antimicrobial molecule for animal and EPA product uses. In late 2014, the Company had made investments in two joint ventures ("CSA"), which gave it 50% ownership interests in the companies which have exclusive rights to the patented antimicrobial molecule. Diamond Fork sublicenses those rights on a pass-thru basis to CSA. The owners of Diamond Fork offered to sell 80% of their interests in Diamond Fork to the Company or to its Chairman, Mr. Brown. Because there was insufficient time for the Company to perform complete due diligence on the proposal at the time it was made, the Company elected not to purchase the interest, and instead the Audit Committee approved Mr. Brown's purchase of the Diamond Fork interest subject to the Company's purchase option.

Brooks M. Pennington

Under an Employment and Non-Compete Agreement dated February 27, 1998, and subsequently modified and extended agreement, Mr. Pennington will continue to serve as Director of Special Projects for the Company through February 28, 2020; provided that the Company may terminate the agreement upon 90 days' notice in which event Mr. Pennington will be entitled to receive 12 months' severance. In this position, Mr. Pennington is expected to work a maximum of 650 hours per year for a base salary of \$135,000 annually. In 2018, Wildlife Foods, LLC, a company owned by Mr. Pennington's son-in-law, purchased the assets of Wildlife Foods LTD, LLC. A division of Pennington Seed, a subsidiary of the Company, purchased approximately \$1,087,500 of feed products from Wildlife Foods, LLC, a company owned by Mr. Pennington's son-in-law (which manufactures corn-based bird feed ingredients) during the fiscal year ended September 28, 2019.

Timothy P. Cofer

Upon entry into his Employment Agreement dated September 16, 2019, Mr. Cofer received \$1,000,000 cash signing bonus. For a description of his employment agreement, please see page 30 above. Mr. Cofer was not an employee during fiscal 2019, so his signing bonus does not appear in the Summary Compensation Table.

OWNERSHIP OF MANAGEMENT AND PRINCIPAL STOCKHOLDERS

The following table indicates, as to each director and nominee, each named executive officer and each holder known to the Company to be the beneficial owner of more than five percent of any voting class of the Company's common stock, the number of shares and percentage of the Company's stock beneficially owned as of December 13, 2019.

<u>Beneficial Owner(1)</u>	<u>Number of Class B Shares</u>	<u>Number of Common Shares</u>	<u>Number of Class A Common Shares</u>	<u>Percent(2)</u>	<u>Percent of Total Voting Power(3)</u>
Executive Officers:					
George C. Roeth	—	—	215,969(4)	*	*
Nicholas Lahanas	—	—	70,788(5)	*	*
William E. Brown	1,646,007(6)	1,574,019	2,278,799(7)	9.9%	55.8%
George A. Yuhas	—	—	110,866(8)	*	*
William Lynch	—	—	63,112(9)	*	*
Directors and Nominees:					
John B. Balousek	—	5,160	30,190(10)	*	*
Timothy P. Cofer	—	—	—	*	*
Thomas J. Colligan	—	—	20,279(11)	*	*
Michael J. Edwards	—	2,930	7,261(12)	*	*
Michael Griffith	—	—	2,061(13)	*	*
Christopher T. Metz	—	—	718	*	*
Brooks M. Pennington III(14)	—	174,492(15)	68,189(16)	*	*
John R. Ranelli	—	7,439(17)	13,407(18)	*	*
Mary Beth Springer	—	—	11,640(19)	*	*
All directors and executive officers as a group (15 persons)(20)	1,646,007	1,764,040	2,961,511	11.5%	56.7%
Five Percent Stockholders:					
BlackRock, Inc.(21)	—	1,607,791	5,980,155	13.7%	7.1%
Dimensional Fund Advisors LP(22)	—	718,967	2,671,858	6.1%	3.2%
The Vanguard Group(23)	—	1,306,809	4,532,402	10.5%	5.8%
Wells Fargo & Company(24)	—	1,248,552	—	2.3%	5.6%
Renaissance Technologies Holdings Corporation(25)	—	642,600	—	1.2%	2.9%
Managed Account Advisors LLC(26)	—	676,954	—	1.2%	3.0%

(*) Less than 1%.

- (1) Unless otherwise indicated, the address of each beneficial owner listed below is 1340 Treat Blvd., Suite 600, Walnut Creek, CA 94597.
- (2) Represents the number of shares of Class B Stock, Common Stock and Class A Common Stock beneficially owned by each stockholder as a percentage of the total number of shares of Class B Stock, Common Stock and Class A Common Stock outstanding. As of December 13, 2019, there were 1,652,262 shares of Class B Stock, 11,479,957 shares of Common Stock and 42,314,415 shares of Class A Common Stock outstanding.
- (3) Represents the percentage of the voting power of each stockholder after giving effect to the disparate voting rights among the Class B Stock, Common Stock and Class A Common Stock. The voting powers of the Common Stock and the Class B Stock are identical in all respects, except that the holders of Common Stock are entitled to one vote per share and the holders of Class B Stock are entitled to the lesser of ten votes per share or 49% of the total votes cast. Shares of Class A Common Stock generally have no voting rights unless otherwise required by Delaware law.

- (4) Includes 110,992 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019. Excludes units held in the CENTA Stock Fund in the Company's 401(k) plan.
- (5) Includes 22,680 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019. Excludes units held in the CENTA Stock Fund in the Company's 401(k) plan.
- (6) Includes 45,548 shares for which Mr. Brown holds voting power pursuant to a voting agreement entered into on March 25, 2008.
- (7) Includes 240,000 shares of Class A Common Stock held by various irrevocable family trusts. Mr. Brown and his spouse are co-trustees of the trusts, and the beneficiaries are immediate family members of Mr. Brown. Mr. Brown disclaims beneficial ownership of the shares held by the trusts.
- (8) Includes 89,961 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019. Excludes units held in the CENTA Stock Fund in the Company's 401(k) plan.
- (9) Includes 22,249 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019. Excludes units held in the CENTA Stock Fund in the Company's 401(k) plan.
- (10) Includes 12,299 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019.
- (11) Includes 10,200 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019.
- (12) Includes 6,001 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019.
- (13) Includes 1,585 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019.
- (14) The address of Mr. Pennington is 169 South Main Street; P.O. Box 231; Madison, GA 30650.
- (15) Includes 7,604 shares held by Pennington Management Company II, LLC, in which Mr. Pennington has an ownership interest and of which Mr. Pennington is the president; and 6,938 shares owned by his spouse. Mr. Pennington disclaims beneficial ownership of the 7,604 shares held by Pennington Management Company II, LLC, except to the extent of his pecuniary interest therein, and the 6,938 shares held by his spouse.
- (16) Includes 12,299 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019. Includes 15,208 shares held by Pennington Management Company II, LLC, in which Mr. Pennington has an ownership interest and of which Mr. Pennington is the president; and 3,876 shares owned by his spouse. Mr. Pennington disclaims beneficial ownership of the 15,208 shares held by Pennington Management Company II, LLC, except to the extent of his pecuniary interest therein, and the 3,876 shares held by his spouse. Excludes units held in the CENTA Stock Fund in the Company's 401(k) plan.
- (17) Includes 7,439 shares of Common Stock held in trust.
- (18) Includes 12,299 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019. Includes 1,108 shares of Class A Common Stock held in trust.
- (19) Includes 10,200 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019.

- (20) Includes 353,675 shares of Class A Common Stock issuable upon exercise of outstanding options exercisable within 60 days of December 13, 2019.
- (21) The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055. The foregoing information is solely from a Schedule 13G/A reflecting beneficial holdings of the Company's common stock filed on January 24, 2019 and a Schedule 13G/A reflecting beneficial holdings of the Company's Class A common stock filed on January 24, 2019.
- (22) The address of Dimensional Fund Advisors LP is Palisades West, Building One, 6300 Bee Cave Road, Austin, Texas 78746. The foregoing information is solely from two Schedules 13G/A reflecting beneficial holdings of the Company's capital stock filed on February 8, 2019.
- (23) The address of The Vanguard Group is 100 Vanguard Blvd. Malvern, PA. The foregoing information is solely from a Schedule 13G/A reflecting beneficial holdings of the Company's common stock filed on February 11, 2019 and a Schedule 13G/A reflecting beneficial holdings of the Company's Class A common stock filed on May 10, 2019.
- (24) The address of Wells Fargo & Co. is 420 Montgomery Street, San Francisco, CA 94104. The foregoing information is solely from a Schedule 13G/A reflecting beneficial holdings of the Company's capital stock filed on February 11, 2019.
- (25) The address of Renaissance Technologies Holdings Corporation. is 800 Third Avenue, New York, New York 10022. The foregoing information is solely from a Schedule 13G/A reflecting beneficial holdings of the Company's capital stock filed on February 13, 2019.
- (26) The address of Managed Account Advisors LLC is 101 Hudson Street, 9th Floor, Jersey City, NJ 07302. The foregoing information is solely from a Schedule 13G reflecting beneficial holdings of the Company's capital stock filed on February 1, 2019.

DELINQUENT SECTION 16(a) REPORTS

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") requires the Company's executive officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the SEC.

Based solely on its review of forms filed with the SEC, or written representations from certain reporting persons that no Forms 5 were required for those persons, the Company believes that, during the period from September 30, 2018 to September 28, 2019 all filing requirements applicable to its executive officers, directors and greater than 10% beneficial owners were complied with; provided, however, that Mr. Metz failed to timely file a Form 4 in February 2019 to report grants of restricted stock units and options and to timely file his initial Form 3 upon appointment to the board of directors. All of the referenced filings have now been made.

CODE OF ETHICS

The Company has adopted a code of ethics that applies to all of its directors, officers and employees, including its principal executive officer, principal financial and accounting officer, controller and certain other senior financial personnel. The Code of Ethics, is available at the Company's website at www.central.com/about-us/responsibility#values-and-ethics.

OTHER MATTERS

The accompanying proxy card grants the proxy holders discretionary authority, to the extent authorized by Rule 14a-4(c) under the Exchange Act, to vote on any matter raised at the Annual Meeting. As of the date of this proxy statement, there are no other matters which management intends to present or has reason to believe others will present at the meeting. If other matters properly come before the meeting, those who act as proxies will vote in accordance with their judgment.

STOCKHOLDER PROPOSALS

If any stockholder intends to present a proposal for action at the Company's annual meeting in February 2021 and wishes to have such proposal set forth in management's proxy statement, such stockholder must forward the proposal to the Company so that it is received on or before August 22, 2020. Proposals should be addressed to the Company at 1340 Treat Blvd., Suite 600, Walnut Creek, CA 94597, Attention: Corporate Secretary.

If a stockholder intends to submit a proposal at the Company's annual meeting in February 2021 which is not intended to be included in the Company's proxy statement and form of proxy relating to that meeting, the stockholder should give appropriate notice no later than November 5, 2020. If the stockholder fails to submit the proposal by such date, the stockholder may still submit a proposal at the meeting but the Company will not be required to provide any information about the nature of the proposal in its proxy statement and the proxy holders will be allowed to use their discretionary voting authority if the proposal is raised at the Company's annual meeting in February 2021.

MANNER AND COST OF SOLICITATION

The Board of Directors of Central Garden & Pet Company is sending you this proxy statement in connection with its solicitation of proxies for use at the Company's Annual Meeting of Stockholders. Certain directors, officers and employees of the Company may solicit proxies on behalf of the Board of Directors by mail, phone, fax or in person. All expenses in connection with the solicitation of this proxy, including the charges of brokerage houses and other custodians, nominees or fiduciaries for forwarding documents to stockholders, will be paid by the Company.

Dated: December 20, 2019

By Order of the Board of Directors

George A. Yuhas, *Secretary*