

# Monro, Inc.

## Compensation Committee Charter

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### **Compensation Committee Mission**

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Monro, Inc. (the “Company”) and is charged by the Board with the responsibility to (i) review and approve the overall compensation strategy and program structure (base salaries, short-term and long-term incentives) for the employees of the Company, and, to the extent appropriate, for the employees of the subsidiaries of the Company, (ii) review and approve the compensation of the Officer Group (as defined below), and (iii) evaluate the performance of the Chief Executive Officer and the Officer Group in light of the Company’s overall compensation strategy and program structure.

The Committee is also responsible for making recommendations to the Board with regard to the total compensation of non-employee directors. Further, the Committee is responsible for (i) reviewing and discussing with management the Compensation Discussion and Analysis (“CD&A”) section in the annual report on Form 10-K and proxy statement, and (ii) producing the compensation committee report on executive compensation, as required by the rules and regulations of the Securities and Exchange Commission (the “SEC”). The Committee shall ensure compensation is competitive and supports the Company’s business objectives. Nothing herein is intended to expand applicable standards of liability under state or federal law for directors of a corporation.

### **Definition**

“Officer Group” shall mean the group comprised of all persons, each of whom is considered an “officer” as defined in Rule 16a-1(f) promulgated under the Securities Exchange Act of 1934, as amended (the “16(b) Officers”), together with all other officers of the Company or any of its subsidiaries determined to be appropriate for inclusion in the Officer Group by the Committee and in consultation with the Chief Executive Officer. The definition of Officer Group may be amended by action of the Committee from time to time, provided that the Officer Group shall always include, at a minimum, all 16(b) Officers.

### **Membership**

1. **Size.** The Committee shall have at least three (3) members of the Board, the exact number to be determined from time to time by the Board.
2. **Composition and Independence.** The Committee shall be comprised solely of directors that are “independent” in accordance with the rules or regulations prescribed by the Nasdaq listing standards and that satisfy the heightened independence standards for compensation committee members imposed by Nasdaq listing standards. In addition to these independence requirements, each Committee member must also qualify as a “non-employee director” within the meaning of Rule 16b-3(b)(3)(i) of the Securities Exchange Act of 1934, as amended.

3. Appointment; Term. The members of the Committee shall be appointed by a majority vote of the Board from among its members. A member of the Committee shall serve until such member's successor is duly appointed and qualified or until such member's death, resignation, or removal, with or without cause.

### **Authority and Responsibilities**

1. Overall Compensation Strategy. The Committee shall establish and periodically evaluate and modify a statement of general compensation principles regarding overall compensation strategy and program structure (base salary, and short- and long-term incentives) for the Company.
2. Compensation Plans. The Committee shall have the following specific authority and responsibilities with respect to compensation plans, in addition to any others that the Board may from time to time delegate to the Committee:
  - (a) The Committee shall oversee the implementation and administration of the compensation plans of the Company and, to the extent appropriate, the compensation plans of the subsidiaries of the Company, including pension, welfare, incentive and equity-based plans, to ensure that these plans are consistent with the Company's general compensation principles.
  - (b) The Committee shall review and make recommendations to the Board with respect to the adoption or amendment (or submission to shareholders for approval) of incentive compensation and equity-based plans for the Company (and, to the extent appropriate, the other subsidiaries of the Company), including restricted stock, stock option and deferred compensation plans.
  - (c) The Committee shall approve all awards of shares or share options pursuant to the Company's, and to the extent appropriate, the Company's subsidiaries', equity-based plans and report to the Board the Committee's approval of such awards.
  - (d) As requested by the Board, the Committee shall evaluate and approve supplemental benefit plans and perquisites for the employees of the Company, and to the extent appropriate, the employees of the subsidiaries of the Company.
  - (e) The Committee shall (i) review the Company's incentive compensation plans to determine whether such plans encourage excessive risk-taking, (ii) review and discuss the relationship between risk management policies, practices and compensation, and (iii) evaluate compensation policies and practices that mitigate excessive risk-taking with respect to incentive compensation and option plans.
  - (f) The Committee shall periodically review and make recommendations to the Board with regard to the total compensation of non-employee directors.
3. Executive Compensation. The Committee shall have the following specific authority and responsibilities with respect to executive compensation, in addition to any others that the Board may from time to time delegate to the Committee:

- (a) At least annually, the Committee shall review the compensation of the Chief Executive Officer and approve or make recommendations to the Board regarding the Chief Executive Officer's appropriate compensation level, and any employment or compensation agreement with the Chief Executive Officer. In evaluating and determining the Chief Executive Officer's compensation, the Committee shall consider the results of the most recent shareholder advisory vote on executive compensation as required by Section 14A of the Exchange Act. The Chief Executive Officer may not be present during voting or deliberations by the Committee or the Board on such compensation arrangements.
  - (b) At least annually, the Committee shall, for the Officer Group and, to the extent appropriate, for the officers of the subsidiaries of the Company (i) review and approve the corporate goals and objectives relevant to their compensation, (ii) evaluate their performance in light of these goals and objectives, and (iii) determine their compensation based on this evaluation. In determining compensation, the Committee shall consider all factors it deems relevant, including but not limited to: the Company's performance and relative shareholder return; the value of similar incentive awards given to those with similar experiences and responsibilities at comparable companies; the awards given by the Company in prior years; the Chief Executive Officer's performance appraisal of, and recommendation on, appropriate compensation level for each member of the Officer Group; the Committee's performance appraisal of, and recommendation on the appropriate compensation level for the Chief Executive Officer; and the results of the most recent shareholder advisory vote on executive compensation as required by Section 14A of the Exchange Act.
  - (c) The Committee shall have the authority to allow the Chief Executive Officer, under certain enumerated circumstances, to cause the Company to issue, in the aggregate, stock options (at levels and according to terms pre-approved by the Committee) to employees of the Company and its subsidiaries, other than members of the Officer Group to the extent, and in the manner, permitted by applicable law.
  - (d) The Committee shall review and approve any employment agreements, retirement arrangements, severance agreements and change-in-control agreements.
  - (e) The Committee shall review and recommend to the Board for approval the frequency with which the Company should conduct shareholder advisory votes on executive compensation ("Say-on-Pay Votes"), taking into account the results of the most recent advisory vote on the frequency of Say-on-Pay Votes as required by Section 14A of the Exchange Act. The Committee shall also review and approve the proposals regarding the Say-on-Pay Vote and the frequency of the Say-on-Pay Vote to be included in the Company's proxy statement.
4. Regulatory Matters. The Committee shall have the following specific authority and responsibilities with respect to regulatory matters, in addition to any others that the Board may from time to time delegate to the Committee:

- (a) The Committee shall review and discuss with management the CD&A section of the Company's annual report on Form 10-K and proxy statement, and recommend whether such section should be included. In that regard, the Committee shall also review the related tabular and other disclosures about director and executive compensation proposed by management for inclusion in the annual report on Form 10-K and proxy statement in accordance with applicable SEC rules and regulations.
  - (b) The Committee shall produce the compensation committee report on executive compensation required to be included in the annual report on Form 10-K and proxy statement in accordance with applicable SEC rules and regulations.
  - (c) In consultation with the senior management of the Company, the Committee shall oversee regulatory compliance with respect to compensation matters, including establishing performance goals; and certifying that such performance goals and any other material terms have been attained. As requested by the Board, and subject to delegation of specific functions to Company officers in accordance with applicable law, the Committee shall approve the establishment of, and any amendments to, benefit plans that are qualified by the Internal Revenue Service.
5. Indemnification and Director Compensation. The Committee shall periodically review and make recommendations to the Board regarding directors' and officers' indemnification and insurance matters and, when requested by the Board, assess and develop recommendations for the total compensation of outside directors for final approval by the Board.
6. Retention of Consultants and Advisers. The Committee shall have the authority, in its sole discretion, to retain or obtain advice from compensation consultants, independent legal counsel or other advisers (collectively, "Compensation Advisers") to, among other things, (i) assist with the evaluation of the Officer Group, or (ii) advise on director compensation matters. The Committee shall be responsible for the appointment, reasonable compensation, and oversight of any Compensation Advisers it retains or consults with. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Compensation Advisers retained by the Committee.
7. Compensation Adviser Independence. Even though the Committee is not prohibited from retaining a Compensation Adviser that may not be independent, the Committee will consider the following factors prior to retaining a Compensation Adviser to determine the Compensation Adviser's independence:
- (a) Other services provided to the Company by the Compensation Adviser's firm;
  - (b) The fees the Compensation Adviser's firm receives from the Company as a percentage of that firm's total revenue;
  - (c) The conflicts of interest policies and procedures of the Compensation Adviser's firm;

- (d) Any business or personal relationship between the Compensation Adviser and a Committee member;
  - (e) Whether the Compensation Adviser owns stock in the Company; and
  - (f) Any business or personal relationship between the Compensation Adviser or the Compensation Adviser's firm and any member of the Officer Group.
8. Investigations. With Board concurrence, the Committee may conduct or authorize investigations on any matters within the Committee's scope of responsibilities.

### **Structure and Operations**

1. Chairperson. The Board shall designate one member of the Committee to act as its chairperson.
2. Conduct of Meetings. The Committee shall meet in person or telephonically at least once each year at such time and place as may be determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, as and when deemed necessary or desirable by the Committee or its chairperson. The chairperson, with input from the other members of the Committee and, where appropriate, management, shall set the agendas for Committee meetings.
3. Authority to Mandate Attendance. The Committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee may exclude from its meetings any persons it deems appropriate.
4. Delegation. The Committee may form and delegate authority to subcommittees. The provisions specified in this Charter are meant to serve as guidelines and the Board delegates to the Committee the authority to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. The Committee may delegate authority to the chairperson of the Committee to approve specific actions that fall within established program guidelines approved by the Board or the Committee or to other officers of the Company to approve specific actions within such guidelines as permitted by this Charter, the Company's charter and bylaws and applicable law.
5. Recordkeeping; Reports to Board. The Committee shall maintain minutes or other records of its meetings and shall give regular reports to the Board on these meetings and such other matters as required by this Charter or as the Board shall from time to time specify. Reports to the Board may take the form of oral reports by the chairperson of the Committee or any other member of the Committee designated by the Committee to give such report.
6. Review of Charter. The Committee shall review its own performance and reassess the adequacy of this Charter at least annually in such manner as it deems appropriate, and shall submit such evaluation, including any recommendations for change, to the full Board for review, discussion and approval.

7. Committee Rules. Except as expressly provided in this Charter, the Company's bylaws or the Company's corporate governance guidelines, or as required by law, regulation or Nasdaq listing standards, the Committee shall set its own rules of procedure.
8. Additional Procedures and Standards. The provisions specified in this Charter are meant to serve as guidelines, and the Board delegates to the Committee the authority to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

#### **Approval of Charter; Amendment**

This Charter shall be deemed adopted when approved by the Committee and ratified by the Board. Amendments to the Charter shall be affected by a written instrument approved by the Committee and ratified by the Board.

Last amended on May 15, 2019