



## COVETRUS, INC. CORPORATE GOVERNANCE GUIDELINES

### Introduction

The Board of Directors (the “Board”) of Covetrus, Inc. (the “Company”) has developed corporate governance practices to help it fulfill its responsibilities to the Company’s stockholders to oversee the work of management and the Company’s business operations. The governance practices contained in these guidelines are intended to ensure that the Board has the necessary authority and practices established to review and evaluate the Company’s business operations and to make decisions independent of management. These guidelines also are intended to align the interests of directors and management with those of the Company’s stockholders. The Nominating and Governance Committee shall review these corporate governance guidelines on an annual basis and recommend changes as necessary. These guidelines are subject to future review and revision as the Board may find necessary or advisable to achieve these objectives.

### Role of the Board

The Board oversees and guides the Company’s management and its business. The basic responsibility of the Board is to exercise its business judgment to act in what it reasonably believes to be in the best interests of the Company and its stockholders. The Board provides oversight with respect to the strategic direction and key policies of the Company as well as risk. It approves major initiatives, advises on key financial and business objectives, and monitors progress with respect to these matters. The Board also considers the Company’s ethical behavior and may consider the interests of other constituents, including the Company’s customers, employees and the communities in which it functions. In performing their oversight responsibilities, directors rely on the competence and integrity of management in carrying out their responsibilities. It is the responsibility of management to operate the Company in an effective and ethical manner in order to produce value for the Company’s stockholders.

### Board Composition and Selection

- 1. Board Size.** In accordance with the Company’s Amended and Restated By-laws (“By-laws”), the number of directors constituting the full Board shall initially be 11 and thereafter shall be as determined by the Board from time to time. The Board shall periodically evaluate whether a larger or smaller number of directors would be preferable.
- 2. Selection of Board Members.** In accordance with the Company’s Second Amended and Restated Certificate of Incorporation and By-laws, the Board is divided into three classes serving staggered terms of one, two and three years, respectively, until the 2022 annual meeting of stockholders. Starting with the 2020 annual meeting of stockholders, Board members are elected annually depending on the class of directors by the Company’s stockholders to staggered terms of office (until the 2022 annual meeting of stockholders), except as noted below with respect to vacancies. Beginning with the 2022 annual meeting of stockholders, all Board members are elected annually by the Company’s stockholders to one-year terms of office. The Nominating and Governance Committee is responsible for identifying and recommending director nominees to the Board in accordance with the Nominating and Governance Committee Charter and these guidelines and the Board is responsible for recommending director nominees for election by stockholders at each annual meeting of stockholders (starting with the 2020 annual meeting of stockholders). The

Board's recommendations are based on its determination (using advice and information supplied by the Nominating and Governance Committee) as to the suitability of the nominees, individually and in the aggregate, to serve as directors of the Company, taking into account the membership criteria discussed below. The Board may fill vacancies in existing or new director positions, which directors will serve only until the next election of directors of the applicable class by stockholders unless elected by the stockholders to a further term at such time.

3. **Invitation to Join the Board.** The invitation to join the Board will be extended by the Board itself via the Company's chairman of the Board (the "Chairman"), if any, chief executive officer ("CEO"), or lead outside director of the Board (the "Lead Outside Director"), if any.
4. **Board Membership Criteria.** The Nominating and Governance Committee will work with the Board on an annual basis to determine the suitability of individual Board members, taking into account an individual's skills, expertise, industry, diversity and other knowledge and business and other experience that would be useful to the effective oversight of the Company's business.
5. **Board Composition and Independence.** A majority of the Board will consist of directors who the Board has determined are "independent" under Section 10A of the Securities Exchange Act of 1934 (the "Exchange Act"), the listing standards of The Nasdaq Stock Market ("Nasdaq") and other applicable laws, rules and regulations regarding independence in effect from time to time, subject to any other phase-in rules that may become applicable. The Board will affirmatively determine annually and at other times required by Nasdaq rules and regulations that the directors designated as independent have no material relationships to the Company (either directly or with an organization in which the director is a partner, stockholder or officer, or is financially interested) that may interfere with the exercise of their independence from management and the Company.
6. **Term Limits.** The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with, and understanding of, the Company's history, policies and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines.
7. **Selection of CEO and Chairman.** The Board may elect a Chairman from among the members of the Board in accordance with the By-laws. The Board believes it is generally appropriate to separate the roles of CEO and Chairman, if any. The Board believes that this issue is part of the succession planning process and the Board will periodically assess the Board's leadership structure to determine whether it is appropriate for the Company and in the best interests of the Company's stockholders.
8. **Lead Outside Director.** Subject to the By-laws, the Board may consider the leadership structure of the Board from time to time and may elect a Lead Outside Director from among the independent members of the Board in accordance with the By-laws, if it is determined to be in the best interests of the Company's stockholders, and the current Chairman, if any, is not already an independent director. At all times (a) prior to the 2022 annual stockholders' meeting, and (b) following the 2022 annual stockholders' meeting, at any time when the Chairman is not already an independent director, the Lead Outside Director's powers and duties shall include (but shall not be limited to):
  - a. calling and chairing all meetings and executive sessions of the independent directors and establishing the agenda for such meetings and sessions;

- b. presiding at all meetings of the Board in the absence or incapacity of the Chairman, including executive sessions, or where the Chairman could be perceived as having a conflict of interest;
- c. calling special meetings of the Board, as appropriate, in accordance with the By-laws;
- d. presiding at all meetings of the stockholders in the absence or incapacity of the Chairman;
- e. performing all other duties and functions and exercising all the powers of the Chairman in the absence or incapacity of the Chairman;
- f. acting with the Chairman as a liaison among the members of the Board, Chairman, CEO and management;
- g. coordinating with the Chairman on information sent to the Board;
- h. consulting with the Chairman regarding meeting agendas and schedules for the Board to ensure that there is sufficient time for discussion of all agenda items;
- i. serving as the chairperson of the Nominating and Governance Committee until at least the 2022 annual meeting of stockholders, unless removed as Lead Outside Director in accordance with the By-laws;
- j. in the absence or incapacity of the Chairman, or where the Chairman could be perceived as having a conflict of interest, leading the Board's annual review of the CEO and taking a leading role in CEO succession planning, together with the chairperson of the Compensation Committee, subject to consultation and decision of the full Board;
- k. conferring with the CEO, as appropriate;
- l. recommending retention of such outside advisors or consultants for the Board as he or she deems appropriate;
- m. making himself or herself available for consultation with the Company's stockholders, as appropriate; and
- n. performing such other duties as the Board may delegate from time to time.

**9. Limitations on Other Board Service and Commitments.** Board members are expected to prepare for, attend and participate in Board meetings and meetings of Committees on which they serve. In addition, directors must stay abreast of the Company's business and markets. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as an outstanding director. It is expected that, before accepting another board position, a director shall consider whether that service may compromise his or her ability to perform his or her responsibilities to the Company. Board members should not hold more than four (4) directorships of other public companies. If the CEO is a director, the CEO should not serve on the board of more than one (1) other public company, unless otherwise agreed to by the Nominating and Governance Committee or the Board. These and other commitments will be considered by the Nominating and Governance Committee and the Board when reviewing Board candidates and in connection with the Board's self-assessment process. Each director should notify the Chairman and the chairperson of the Nominating and Governance Committee of his or her acceptance of an invitation to serve on the board of another public company. No director may accept such an invitation, or an appointment to a committee of the board of another public company, if acceptance of such invitation or appointment would alter his or her independence status for purposes of service with the Company under Nasdaq, the Securities and Exchange Commission (the "SEC") or any other applicable rules and regulations, without first obtaining the written consent of the Board.

**10. Change of Circumstances.** Directors are expected to report and offer their resignation to the Chairman and the chairperson of the Nominating and Governance Committee in the event of any

significant changes in their primary business or professional association, including retirement, and other similarly material changes in circumstance that may affect their ability to serve effectively. The Nominating and Governance Committee would then evaluate and recommend whether the Board should accept the resignation based on a review of whether the individual continues to satisfy the Board's membership criteria in light of his or her change in employment, affiliations or other matters which may affect his or her ability to serve effectively.

11. **Retirement Policy.** The Board does not believe that there should be a fixed retirement age for directors or that directors who retire from or change their principal occupation or business should necessarily be required to end their service as directors.

## **Board Meetings and Performance**

1. **Number of Meetings.** The Board will have at least four (4) meetings each year and such additional meetings as are called by the Board or as otherwise in accordance with the Company's by-laws.
2. **Agenda.** The Chairman, taking into account suggestions from other members of the Board and in consultation with the Lead Outside Director and the CEO (if the Chairman is not the CEO), will set the agenda for each Board meeting and will distribute such agenda in advance to each director. The Lead Outside Director will set the agenda for each meeting and executive session of the independent directors and distribute such agenda in advance to each independent director.
3. **Distribution of Materials.** All information relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting will be distributed in writing or electronically to all members in advance, whenever feasible and appropriate. In preparing this information, management should ensure that materials distributed are as concise as possible and give directors sufficient information to make informed decisions. The Board acknowledges that certain items to be discussed at Board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.
4. **Access to Management and Employees.** The Board will have complete access to Company management and employees in order to ensure that directors can ask all questions and obtain all information necessary to fulfill their duties. The Board may specify a protocol for making such inquiries. Management is encouraged to invite Company personnel to any Board meeting at which their presence and expertise would help the Board have a full understanding of matters being considered.
5. **Executive Sessions of Independent Directors.** The independent directors of the Board will meet regularly in executive session (with no management directors, board observers or management present) as often as they shall determine, but at least twice a year in conjunction with regularly-scheduled Board meetings. Executive sessions of the independent directors will be called and chaired by the Chairman, if independent and if there is no Lead Outside Director, and if not, by the Lead Outside Director, if any, or by the chairperson of the Nominating and Governance Committee. Executive session discussions may include such topics as the independent directors determine.
6. **Attendance of Directors at Annual Meeting.** All directors are expected to attend the annual meeting of stockholders.
7. **Board's Interaction with Third Parties and Stockholders.** The Board believes that management speaks for the Company. Individual directors from time to time may meet or otherwise communicate with various constituencies involved with the Company, but it is expected that

directors would do so only with the knowledge of management and, in most instances, at the request of management. In situations where public comments from the Board may be appropriate, they should come only from the Chairman or Lead Outside Director.

Stockholders who wish to communicate with the Board, its Chairman, its Lead Outside Director, its committees, any director or the non-management directors as a group may send correspondence to:

Secretary, Covetrus, Inc.  
7 Custom House Street, 2nd Floor  
Portland, ME 04101

Any communication should clearly specify to whom it is intended to be made. The office of the secretary will receive the correspondence and forward it to any individual director or directors to whom the communication is directed, unless the communication is unduly hostile, threatening, illegal, does not reasonably relate to the Company or its business, or is similarly inappropriate.

### **Performance Evaluation; Succession Planning**

- 1. Annual CEO Evaluation.** The Board's Compensation Committee, in consultation with the Lead Outside Director, will perform an evaluation at least annually of the performance of the CEO in accordance with the Compensation Committee Charter and communicate the results of the review to the full Board and the CEO. The Board's Compensation Committee will establish the evaluation process and determine the specific criteria on which the performance of the CEO is evaluated.
- 2. Succession Planning.** The Board has the responsibility to consider and evaluate potential successors to the CEO and senior management positions. The Nominating and Governance Committee will assist the Board in developing and evaluating potential candidates for executive positions, including CEO, and will oversee the development of executive succession plans. The CEO will discuss executive succession planning, including his or her recommendations and evaluations of potential successors to management positions, with the Nominating and Governance Committee.
- 3. Board Evaluation.** The Nominating and Governance Committee will conduct an annual evaluation of the performance of the Board and report its conclusions to the Board. This report generally should include an assessment of the Board's compliance with the principles set forth in these guidelines, as well as identification of areas in which the Board could improve its performance.

### **Board Compensation**

- 1. Board Compensation Review.** The Board's Compensation Committee will review Board and committee compensation and benefits and will recommend any proposed changes to the Board for its approval. The Board will make changes in its director and committee compensation practices only upon the recommendation of its Compensation Committee.

### **Stock Ownership Guidelines**

- 1. Stock Ownership Guidelines.** The Board believes that significant stock ownership by executive officers and Board members aligns their interests with the interests of the Company's stockholders. Accordingly, the Board has adopted Stock Ownership Guidelines applicable to such persons.

## Committees

1. **Number and Type of Committees.** The Board has established each of the following standing committees: Audit Committee; Compensation Committee; Nominating and Governance Committee; and Strategy Committee. The Board may add new committees or remove existing ones as it deems advisable in the fulfillment of its primary responsibilities. Each committee will perform its duties as assigned by the Board in compliance with the By-laws and such committee's charter. Standing committee duties are described briefly as follows:
  - a. **Audit Committee.** The Audit Committee oversees the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the selection of the Company's independent auditors and the qualifications, independence and performance of the Company's independent auditors. In addition, the Audit Committee produces an annual report for inclusion into the Company's proxy statement as required by the SEC and proxy rules.
  - b. **Compensation Committee.** The Compensation Committee discharges the overall responsibility of the Board relating to executive and director compensation. In addition, the Compensation Committee produces an annual report for inclusion in the Company's proxy statement as required by the SEC and proxy rules.
  - c. **Nominating and Governance Committee.** The Nominating and Governance Committee identifies qualified individuals to become members of the Board, recommends to the Board proposed nominees for Board membership, recommends to the Board directors to serve on each committee of the Board, assesses the Board's effectiveness and develops and implements these Corporate Governance Guidelines.
  - d. **Strategy Committee.** The Strategy Committee will assist the Board in overseeing the development, approval and implementation of strategic business development initiatives aligned with the Company's strategic plans.
2. **Committee Charters.** Each standing committee shall adopt and publish its own written charter approved by the Board. Each standing committee's charter shall be available on the Company's website at [www.covetrus.com](http://www.covetrus.com). The Company shall state in its Annual Report on Form 10-K that each standing committee's charter is available on the Company's website at [www.covetrus.com](http://www.covetrus.com) and is available in print to any Company stockholder who requests it. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.
3. **Composition of Committees; Committee Chairpersons.** Each of the Audit, Compensation and Nominating and Governance Committees will consist solely of directors who satisfy the applicable independence requirements of the Exchange Act, Nasdaq and other applicable laws, rules and regulations regarding independence, each as in effect from time to time, unless the Board determines that the participation of a non-independent director is in the best interests of the Company and its stockholders and such participation is permitted under applicable laws, and subject to any other phase-in rules that may be applicable. The Strategy Committee may be comprised of such independent and non-independent Board members as shall be determined by the Board in its discretion. The Board is responsible for the appointment of committee members and

chairpersons according to criteria that it determines to be in the best interest of the Company and its stockholders.

- 4. Committee Meetings and Agenda.** The chairperson of each committee will develop, together with relevant Company management, the committee's general agenda and objectives and is responsible for setting the specific agenda for such committee's meetings. Each chairperson and the applicable committee members will determine the frequency and length of committee meetings consistent with each committee's charter.

## Miscellaneous

- 1. Confidentiality.** The proceedings and deliberations of the Board and its committees will be treated as confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director.
- 2. Reliance on Management and Consultants.** The Board will be entitled to rely upon management and counsel, accountants, auditors and other expert advisors and consultants ("Consultants") as it deems appropriate. Except as otherwise provided in a committee charter, the Board will have the authority to select, retain, terminate and approve the fees and other retention terms of such Consultants, which fees will be borne by the Company, subject to all applicable rules and regulations.
- 3. Disclosure of Corporate Governance Guidelines.** These guidelines will be made available on the Company's website at [www.covetrus.com](http://www.covetrus.com).
- 4. Code of Business Conduct and Ethics.** The Company has adopted a Code of Business Conduct and Ethics, which shall be distributed to all directors, executive officers and employees and is available on the Company's website at [www.covetrus.com](http://www.covetrus.com). Directors must comply in full with this Code at all times. Directors are expected to avoid any action, position or interest that conflicts with the interest of the Company, or gives the appearance of a conflict. The Company annually solicits information from directors in order to monitor potential conflicts of interest and directors are expected to be mindful of their fiduciary obligations to the Company.
- 5. Director Orientation and Continuing Education.** The Nominating and Governance Committee, with input from Company management, shall provide an appropriate orientation for all new directors. The orientation may include meetings with management of the Company, background material and presentations about the Company, its business, strategic plans, significant risk exposures and compliance programs (including the Code of Business Conduct and Ethics and other applicable policies). It is expected that directors will remain up-to-date in their fields of expertise. In addition, it is expected that directors will develop and maintain a broad, current knowledge of the Company's business, including the Company's products, markets and economics, as well as the strengths and weaknesses of the Company and its competitors. The Nominating and Governance Committee shall periodically provide directors with information and educational opportunities, as necessary, to facilitate this process.
- 6. Revisions to the Governance Guidelines.** The Nominating and Governance Committee is responsible for periodically reviewing and reassessing the Company's corporate governance procedures and practices, including these guidelines, and recommending proposed changes to the Board for its consideration.

*Date Adopted: February 4, 2019*