



## COVETRUS, INC.

### RELATED PARTY TRANSACTIONS POLICY

#### 1. Statement of Policy

It is the policy of Covetrus, Inc. (the “Company”) that all Interested Transactions with Related Parties, as those terms are defined in this Policy, shall be subject to review and approval or ratification by the Company’s Audit Committee (the “Committee”) in accordance with the procedures set forth below.

#### 2. Definitions

“Interested Transaction” means any transaction, arrangement or relationship, or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness), in which:

- (a) the aggregate amount involved will, or may be expected to, exceed \$120,000;
- (b) the Company or any of its subsidiaries is a participant; and
- (c) any Related Party has or will have a direct or indirect material interest.

“Related Party” means:

- (a) any person who is or was (since the beginning of the Company’s last fiscal year, even if they do not presently serve in that role) an Executive Officer (defined below), director or nominee for election as a director of the Company;
- (b) any person or entity that holds more than a 5% beneficial ownership interest in the Company’s common stock a (“5% stockholder”); or
- (c) any Immediate Family Member (defined below) of any of the foregoing.

“Executive Officer” means the president, any vice president in charge of a principal business unit, division or function, any other officer who performs a policy making function, or any other person who performs similar policy making functions of the Company.

“Immediate Family Member” means a person’s spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, or brothers- and sisters-in-law or anyone residing in such person’s home (other than a tenant or employee).

#### 3. Procedures

- 3.1. Company personnel shall identify and report to the Chair of the Committee (the “Chair”), and the Chair may request that Company personnel identify and report to the Chair, potential Interested Transactions from information solicited annually in questionnaires submitted by directors and Executive Officers, and also from any person newly nominated or appointed as a director or Executive Officer. In addition, directors and Executive Officers shall notify the Chair of any transaction, arrangement or relationship that they

propose to enter into, or of which they become aware, that might reasonably be expected to be an Interested Transaction, including transactions involving an Immediate Family Member or entity with which they are affiliated.

With respect to 5% stockholders, Company personnel shall monitor, and the Chair may request that Company personnel monitor, the identity of such 5% stockholders through public filings with the Securities and Exchange Commission (“SEC”). The Company may solicit annual questionnaires of any 5% stockholder.

The Chair will determine whether a proposed transaction or relationship of which he or she is informed pursuant to this Policy, or otherwise becomes aware, is an Interested Transaction. If it is, he or she will provide relevant details and analysis of the Interested Transaction to the Committee for consideration at its next regularly scheduled meeting.

If the Chair has an interest in a potential Interested Transaction, the Chair shall provide all relevant information regarding the transaction or relationship to the General Counsel of the Company. The General Counsel shall review the potential transaction or relationship to determine whether the proposed transaction or relationship is an Interested Transaction and provide the information to the Committee that would otherwise be provided by the Chair.

The Chair shall provide summary information to the Committee annually of any transaction or relationship that he or she has considered under this Policy, including those that he or she has determined do not constitute Interested Transactions.

- 3.2. The Committee shall review the material facts of all Interested Transactions that require the Committee’s approval and either approve or disapprove of the entry into the Interested Transaction, subject to the exceptions described below. If advance Committee review and approval of an Interested Transaction is not feasible, then the Interested Transaction shall be considered by the Chair and approved in accordance with this Policy, and, if the Committee determines it to be appropriate, ratified at the Committee’s next regularly scheduled meeting.

In any case where the Committee determines not to ratify an Interested Transaction that has been commenced with or without approval, the Committee may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification. In connection with its review of an Interested Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

In determining whether to approve or ratify an Interested Transaction, the Committee will take into account the following, among other factors it deems appropriate:

- (i) whether the Interested Transaction is on terms no more favorable than terms generally available to an unaffiliated third party under the same or similar circumstances;
- (ii) whether there are any compelling business reasons for the Company to enter into the Interested Transaction and the nature of alternative transactions, if any;
- (iii) whether the Interested Transaction would impair the independence of an otherwise independent director or nominee for director; and

- (iv) the extent of the Related Party's interest in the transaction.
- 3.3. The Committee and the Board have reviewed the categories of Interested Transactions described in Section 4 below and determined that each of the Interested Transactions described therein shall be deemed to be pre-approved or ratified (as applicable) by the Committee under the terms of this Policy.

In connection with each regularly scheduled meeting of the Committee, a summary of each new Interested Transaction deemed pre-approved pursuant to paragraphs 4(c) and 4(d) shall be provided to the Committee for its review.

- 3.4. No director shall participate in any discussion, review or approval of an Interested Transaction for which he or she is a Related Party, except that the director shall provide all material information concerning the Interested Transaction to the Chair and the Committee.
- 3.5. If an Interested Transaction will be ongoing, the Committee may, in its discretion, establish guidelines for the General Counsel to follow the Company's ongoing dealings with the Related Party. Thereafter, the Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to ensure that they are in compliance with the Committee's guidelines and that the Interested Transaction remains appropriate.

#### 4. **Standing Pre-Approval for Certain Interested Transactions**

The Committee and the Board have reviewed the types of Interested Transactions described below and determined that each of the following Interested Transactions shall be deemed to be pre-approved by the Committee, even if the aggregate amount involved will exceed \$120,000.

- (a) **Employment of Executive Officers.** Any employment by the Company of an Executive Officer of the Company if:
  - (i) The related compensation is required to be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements (generally applicable to "Named Executive Officers");
  - (ii) The Executive Officer is not an Immediate Family Member of another Executive Officer or director of the Company and the related compensation would be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements if the Executive Officer was a "Named Executive Officer," and the Company's Compensation Committee approved (or recommended that the Board approve) such compensation.
- (b) **Director Compensation.** Any compensation paid to a director if the compensation is required to be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements.
- (c) **Certain Transactions with Other Companies.** Any transaction between the Company and another company to which a Related Party's only relationship is as a director and/or beneficial owner of less than 10% of that company's shares.
- (d) **Certain Company Charitable Contributions.** Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university to which

a Related Party's only relationship is as a trustee or director, but not employee or Executive Officer, of the charitable organization, foundation or university, if the aggregate amount does not exceed the lesser of \$500,000 or 1% of the charitable organization's total annual receipts.

- (e) **Transactions Where All Stockholders Receive Proportional Benefits.** Any transaction where the Related Person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock receive the same benefit on a pro rata basis (for example, dividends).

## **5. Integration with Code of Business Conduct and Ethics for Employees, Executive Officers and Directors**

Any Interested Transaction approved under this Related Party Transactions Policy shall be deemed in compliance with the section on Conflicts of Interests of the Company's Code of Business Conduct and Ethics for Employees, Executive Officers and Directors. Any person who receives approval to enter into an Interested Transaction under this Related Party Transactions Policy shall not be required to seek approval for such transaction under the Code of Business Conduct and Ethics. This Related Party Transactions Policy does not supersede or replace the Company's Code of Business Conduct and Ethics.

## **6. Disclosure**

All Interested Transactions are to be disclosed in the Company's applicable filings as and to the extent required by the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and related rules. Furthermore, any material Interested Transactions shall be disclosed to the full Board.

*Date Adopted and Effective: February 7, 2019*

*[End of document.]*