



COVETRUS, INC.

AUDIT COMMITTEE CHARTER

This document (the “Charter”) sets forth the policy of Covetrus, Inc. (the “Company”) concerning the operation of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company.

Audit Committee Purpose

The purpose of the Committee is to assist the Board by overseeing the Company’s accounting and financial reporting processes and the audits and integrity of the Company’s financial statements. Additionally, the Committee oversees those aspects of risk management and legal and regulatory compliance monitoring processes, which may impact the Company’s financial reporting.

The Committee may adopt such procedures as it deems appropriate and necessary to carry out the duties and responsibilities of the Committee. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct the audits or to determine that the Company’s financial statements are complete and accurate and prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). This is the responsibility of management and the independent registered public accounting firm appointed by the Committee to audit the Company’s financial statements (the “Auditors”).

Membership

The Committee will be comprised of at least three independent directors. Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934, the rules of the Nasdaq Stock Market (“Nasdaq”), any additional requirements under the rules and regulations of the Securities and Exchange Commission (the “SEC”) and other applicable law.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that results in financial sophistication. The Committee will have at least one member who qualifies as an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.

No member of the Committee can have participated in the preparation of the Company’s or any of its subsidiaries’ financial statements at any time during the past three years.

The members of the Committee shall be appointed and replaced by the Board for such term or terms as the Board may determine or until a member’s earlier resignation or death. The Board shall designate one member of the Committee to serve as the Committee’s Chairperson. The Board may remove any member from the Committee at any time with or without cause.

The Committee may form subcommittees and delegate authority to such subcommittees as it deems appropriate.

Meetings

The Committee shall meet at least four times each year, or more frequently as circumstances require. The Committee shall hold separate meetings periodically with management, internal auditors and the Auditors. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary or desirable. However, the Committee shall meet regularly without such individuals present. The Committee shall report regularly to the Board on its discussions and actions, including any significant issues or concerns that arise at its meetings, and shall make recommendations to the Board as appropriate.

The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

Retention of Advisors

The Committee shall have the authority, in its sole discretion, to retain and terminate independent outside counsel and such other advisors as it deems necessary or appropriate to assist in the execution of its duties and responsibilities under this Charter. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any outside counsel and other advisors retained by the Committee.

The Company shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for the payment of reasonable compensation to the Auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors retained by the Committee.

Responsibilities and Duties

The Committee shall have the responsibilities and duties set forth below.

Duties Relating to the Independent Registered Public Accounting Firms

1. Assume direct and sole responsibility for the selection, appointment, compensation, oversight and termination, if necessary, of the independent registered public accounting firm (including resolution of disagreements between management and the Auditors regarding financial reporting) for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting, subject to ratification by the Company's stockholders (if required by the Board).
2. Assume direct and sole responsibility for the selection, appointment, compensation, oversight and termination, if necessary, of any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.
3. Confirm and assure the independence of the Auditors and other independent registered public accounting firms retained by the Company and the objectivity of the internal auditors.
4. Approve all audit engagement fees and terms; and pre-approve all audit services and permissible non-audit services, as defined and limited by applicable regulations, to be

performed by the Auditors or other independent registered public accounting firms. The Committee may delegate pre-approval of audit and non-audit services to one or more members of the Committee. Such members must then report to the full Committee at each scheduled meeting whether such members pre-approved any audit or non-audit services. The Committee shall report any pre-approved non-audit services to the Board so the Company can include the information in its periodic reports.

5. At least annually, obtain and review a formal written statement by the Auditors describing all relationships between the Auditors and the Company, consistent with the Public Company Accounting Oversight Board (“PCAOB”) Rule 3526 (Auditor Independence). The Committee shall actively engage in a dialogue with the Auditors to the extent such report discloses any material issues, relationships or services that may impact the performance, objectivity or independence of the independent registered public accounting firm and take, or recommend that the full Board take appropriate action to oversee the independence of the independent registered public accounting firm.
6. At least annually, obtain and review a report by the Auditors addressing: (i) the Auditors’ internal quality-control procedures; and (ii) any material issues raised by the most recent PCAOB Inspection, internal quality-control review, or peer review of the Auditors, or by any inquiry or investigation by governmental or professional authorities within the preceding five years, with respect to one or more independent audits carried out by the Auditors and any steps taken to deal with any such issues.
7. At least annually, evaluate the qualifications, performance and independence of the Auditors, including an evaluation of the lead audit partner; and assure the regular rotation of the lead audit partner.
8. Review and discuss the Company’s annual audited financial statements and quarterly financial statements, including the assessment of the integrity of such financial statements, with management and the Auditors, including the Company’s financial and non-financial disclosures.
9. Conduct discussions with management and the Auditors regarding the Auditors’ evaluation of the quality of the Company’s accounting principles and essential estimates in its financial statements, as well as new or changed accounting policies, the effect of regulatory and accounting initiatives, significant judgments, uncertainties, or unusual or off-balance sheet transactions, and any other matters covered by applicable regulations and audit standards, including PCAOB Auditing Standards No. 1301 (Communications with Audit Committees). This dialogue will include discussion of the consistency, clarity and completeness of the financial statements and related disclosures.
10. Review reports and other materials prepared by the Auditors concerning (i) all critical accounting policies and practices to be used, (ii) all alternative treatments of financial information within GAAP for policies and practices related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditors, and (iii) other material written communications between the Auditors and management, such as any management letter or schedule of unadjusted differences, as well as other disclosures required by the PCAOB.
11. Ensure that the audit of the Company’s financial statements was conducted in a manner consistent with applicable regulations.

12. Review and discuss with the Auditors (i) the Auditors' responsibilities under GAAP and the responsibilities of management in the audit process, (ii) the overall audit strategy, (iii) the scope and timing of the annual audit, (iv) any significant risks identified during the Auditors' risk assessment procedures and (v) when completed, the results, including significant findings, of the annual audit.
13. Review and discuss with the Auditors (i) any audit problems or difficulties, including difficulties encountered by the Auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (ii) any significant disagreements with management and management's response to such matters; and (iii) resolve any disagreements between the Auditors and management.

Keep the Auditors informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company; and to review and discuss with the Auditors the Auditors' evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.

Duties Relating to the Internal Audit Function, Review and Assessment of Internal Controls

14. Review risks relating to the financial statements, auditing and financial reporting process, key credit risks, liquidity risks and market risks. Discuss with management policies and programs with respect to risk management and risk assessment, including steps taken to monitor and control such exposure, and report the results of the review to the Board.
15. Review on an annual basis with management:
 - a. management's responsibility for establishing and maintaining an adequate internal control structure and procedures for financial reporting; and
 - b. an assessment, as of the end of the most recent fiscal year, of the internal control structure and procedures for financial reporting.
16. Establish procedures for the (i) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters and (ii) confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
17. Review, at least annually, the experience and qualifications of the senior members of the internal audit function and financial and accounting personnel succession planning within the Company, including the appointment and replacement of the senior internal auditing executive, and make recommendations to the Board regarding the same.
18. Consider and review with the Auditors and the internal auditors:
 - a. the adequacy and effectiveness of the Company's and its subsidiaries internal controls, including computerized information system controls and security, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's internal controls and any special audit steps adopted in light of any material control deficiencies, and any

- fraud involving management or other employees with a significant role in such internal controls; and
- b. related findings and recommendations of the Auditors and internal audit together with management's responses.
19. Review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) and any other potential conflict of interest situations on an ongoing basis, in accordance with Company policies and procedures, and to review and enforce the Company's Related Party Transactions Policy.
 20. Review the Company's financial statements on both a quarterly and annual basis and discuss such financial statements with the Chief Executive Officer of the Company ("CEO") and Chief Financial Officer of the Company ("CFO") prior to each filing of the Company's reports. In particular, the Committee shall discuss (i) significant deficiencies or material weaknesses in the design or operation of the Company's internal controls that could adversely affect the Company's ability to gather and report financial data, (ii) any fraud involving management or employees who have significant roles in the Company's internal controls, and (iii) any changes in the Company's internal controls during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting, and provide the information necessary to enable the CEO and the CFO to provide the required SEC certification.
 21. Review, discuss with the Auditors, and approve the functions of the Company's internal audit department, including its purpose, authority, organization, responsibilities, budget and staffing; review the scope and performance of the department's internal audit plan, including the results of any internal audits, any reports to management and management's response to those reports; and oversee the maintenance of the Company's internal audit function. In addition to reporting to management, the internal auditors shall also report to the Committee.

Annual Duties of the Audit Committee

22. Prepare a report for the annual meeting proxy that states:
 - a. whether the Committee has reviewed and discussed the financial statements with management;
 - b. whether the Committee has discussed with the Auditors their evaluation of the quality of the Company's financial reporting;
 - c. whether the Committee has reviewed the required independence disclosures and related communications from the Auditors and has discussed the Auditors' independence with Auditors; and
 - d. based on the review of (a)-(c) above, whether the Committee recommended to the Board that the Company's financial statements be included in its public filing.
23. Report regularly to the Board.

24. Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for its approval. This Charter is in all respects subject and subordinate to the Company's certificate of incorporation and by-laws and the resolutions of the Board and the applicable provisions of the Delaware General Corporation Law.
25. Review its own performance annually and report the Committee's conclusions to the Board.

Other Duties

26. Review and discuss with management and the Auditors all earnings press releases, including the type of information to be included and its presentation and the use of any pro forma, adjusted or other non-GAAP financial information, as well as financial information and earnings guidance provided to analysts.
27. Review legal and regulatory matters with the Company's General Counsel, other legal counsel or other Company personnel that may have a material impact on the financial statements or the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
28. Consider such other matters in relation to the financial affairs of the Company and its accounts, and in relation to the internal and external audit of the Company as the Committee may, in its discretion, determine to be advisable.
29. Monitor compliance with the Company's Code of Business Conduct and Ethics (the "Code"), investigate any alleged breach or violation of the Code, and enforce the provisions of the Code.
30. Review, with the General Counsel of the Company and outside legal counsel, legal and regulatory matters, including legal cases against or regulatory investigations of the Company and its subsidiaries, that could have a significant impact on the Company's financial statements.

The Committee may diverge from the specific activities outlined throughout this Charter as appropriate if circumstances, as determined in the reasonable judgment of the Committee, warrant or if regulatory requirements change. In addition to these activities, the Committee will perform such other functions as necessary or appropriate under law, regulations, stock exchange rules, the Company's certificate of incorporation and by-laws, resolutions and other directives of the Board or as determined by the Committee to be reasonably appropriate to accomplish the purpose of the Committee.

Adopted and effective as of February 4, 2019