



COVETRUS, INC.

COMPENSATION COMMITTEE CHARTER

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

Purpose

Unless the Board undertakes the responsibility directly, the Committee shall discharge the overall responsibility of the Board relating to executive and director compensation and compensation policies, plans, and benefit programs, produce an annual compensation report for inclusion in the Company’s proxy statement and perform any other tasks that the Board may prescribe from time to time or as required by applicable laws, rules or regulations.

Membership

The Committee must be comprised entirely of members who satisfy the definition of “independent director” under the rules of the Nasdaq Stock Market (“Nasdaq”), as in effect from time to time, except as otherwise permitted by applicable rules of Nasdaq. At least two members of the Committee shall also be a “non-employee director” as defined in Rule 16b-3(b)(3) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as in effect from time to time.

In accordance with rules of Nasdaq, in determining whether a director satisfies the independence requirements of Nasdaq, the Board must consider all factors specifically relevant to determining whether a director has a relationship to the Company that is material to that director’s ability to be independent from management in connection with the duties of a Committee member, including, but not limited to:

- the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and
- whether the director is affiliated with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company.

The Committee shall consist at all times of no fewer than three members. 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 three times each year, or more frequently as circumstances require. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary (provided, however, that no member of management of the Company shall be

present during voting or deliberations on his or her compensation). The Committee shall regularly report to the Board, as requested, or as the Committee deems necessary, but not less frequently than annually.

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 has the authority, in its sole discretion to retain and terminate any consultant, legal counsel or such other advisors as it deems necessary or appropriate to assist in the execution of its duties and responsibilities as set forth in this Charter. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other advisor retained by the Committee; provided, however, that the foregoing shall not be construed:

- To require the Committee to implement or act consistently with the advice or recommendations of any compensation consultant, legal counsel or other advisor to the Committee; or
- To affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

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 any compensation consultant, legal counsel or any other advisor retained by the Committee.

The Committee may select an external compensation consultant, legal counsel or other advisor to the Committee (whether or not independent) only after taking into account factors it considers appropriate or as may be required by law or under the Nasdaq listing standards, including the following factors (solely to the extent required by the Nasdaq listing standards):

- The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other advisor;
- The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
- The policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
- Any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;
- Any stock of the Company owned by the compensation consultant, legal counsel or other advisor; and
- Any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the advisor with an executive officer of the Company.

The Committee is not required to assess the independence of any in-house legal counsel or any compensation consultant, legal counsel or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant, counsel or advisor, and about which the consultant, counsel or advisor does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

Responsibilities and Duties

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

1. Review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Chief Executive Officer of the Company (“CEO”). In consultation with the Company’s lead outside director (the “Lead Outside Director”) if one has been appointed by the Board, the Committee shall evaluate, at least on an annual basis, the CEO’s performance in light of these established goals and objectives. Based upon this evaluation, and considering the competitive position of the compensation, the Committee shall make recommendations to the Board regarding the CEO’s annual compensation, including salary, bonus, incentive and equity compensation. In determining the long-term incentive component of CEO compensation, the Committee may consider the Company’s performance and relative stockholder return, the value of similar incentive awards given to CEOs at comparable companies and the awards given to the Company’s CEO in past years. The CEO shall not be present during voting or deliberations on his or her compensation.
2. Review and approve compensation for other Company executive officers, based on recommendations submitted by the chairman of the Board and CEO, in relation to award opportunities and performance criteria approved by the Committee during the prior year.
3. Evaluate the performance of the executive officers relative to and the appropriateness of executive officer compensation and benefits, including, without limitation, base salaries, annual equity award opportunities and stock incentives for the current and ensuing year to ensure they remain consistent with the Company’s competitive compensation philosophy.
4. Review and approve all executive officer benefit plans and perquisites, which includes the ability to adopt, amend and terminate such plans.
5. Review, approve and administer the Company’s incentive compensation plans and equity-based plans, including designation of the employees to whom the awards or equity are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or equity grant, subject to the provisions of each plan. In reviewing and approving incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote.
6. Approve salary increases for executive officers and annual salary increase budgets.
7. Review the continued appropriateness of the compensation program for outside directors (including compensation for service on the Board and Board committees), as well as

director prerequisites (if any), at least once a year and make recommendations to the Board with respect thereto.

8. Review new executive compensation plan designs.
9. Evaluate the post-service (including severance and pension) arrangements and benefits of the CEO and other executive officers and their reasonableness in light of practices at comparable companies and any benefits received by the Company in connection with such arrangements.
10. Review and approve any other arrangements with executive officers relating to their employment relationships with the Company, including, without limitation, employment agreements, savings arrangements, change in control agreements and restrictive covenants.
11. Review and discuss with management the Compensation Discussion and Analysis (“CD&A”) required by the rules of the Securities and Exchange Commission, and based on such review and discussions, determine whether to recommend to the Board that the CD&A be included in the Company’s annual report on Form 10-K or proxy statement relating to the annual meeting of stockholders.
12. Produce the compensation committee report required to be included in the Company’s proxy statement relating to the annual meeting of stockholders or annual report on Form 10-K.
13. Review the peer group to be used in calculating the performance graph in the Company’s annual report on Form 10-K and, to the extent determined by the Compensation Committee in its sole discretion, for purposes of benchmarking the compensation of the Company’s executive officers.
14. Review and evaluate with management whether the Company’s compensation policies and practices for its executive officers and other employees of the Company create risks that are reasonably likely to have a material adverse effect on the Company, review and discuss at least annually the relationship between risk management policies and practices and compensation, evaluate compensation policies and practices that could mitigate any such risks and determine whether to recommend to the Board the inclusion of additional disclosure in the Company’s proxy statement regarding any such risks.
15. Review and evaluate the results of the most recent Say on Pay Vote and, as appropriate, stockholder input on executive compensation programs, as part of the Committee’s ongoing assessment of executive compensation programs and policies.
16. With respect to any funded employee benefit plan covering employees of the Company subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, appoint and terminate the named fiduciary or named fiduciaries of such plan and monitor their performance, unless such fiduciaries are specified in the constituent plan documents.
17. As appropriate, administer and implement any incentive compensation recoupment policy that may be approved by the Board from time to time, to the extent designated by the Board, and review and make recommendations to the Board with respect to any incentive compensation recoupment policy.

18. 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.
19. Review its own performance annually and report the Committee's conclusions to the Board.
20. Make recommendations to the Board on compensation matters, as the Committee deems appropriate.
21. Review, and recommend to the Board for approval, the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and 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.
22. Determine stock ownership guidelines, if any, for the Board, CEO and other executive officers and monitor compliance with such guidelines.
23. To oversee, in conjunction with the Nominating and Governance Committee, engagement with stockholders and proxy advisory firms on executive compensation matters, including any stockholder proposals relating to executive compensation.

Adopted and effective as of February 7, 2019