



COVETRUS STANDARD DISTRIBUTION AGREEMENT TERMS
Version: 4.2020

The following is the Standard Distribution terms for Butler Animal Health Supply, LLC d/b/a Covetrus North America ("Covetrus") acting as a distributor for any Vendor:

The term "Vendor" references a provider of goods to Covetrus, which may be further subject to a Distribution Letter Agreement between Vendor and Covetrus ("Letter").

1. **Appointment.** Covetrus accepts appointment to promote, market, distribute and sell the Vendor's products (the "Products") within the United States of America. Covetrus shall use commercially reasonable efforts to promote, market, distribute and sell the Products to customers in the Territory.
2. **Promotional Materials.** Where provided, Covetrus shall use sales and technical literature as well as promotional artwork and training materials provided by Vendor. Covetrus may alter such materials or develop any other materials in connection with the marketing and distribution of Products (including but not limited to product brochures and sales aids), subject to Vendor's review and prior written approval.
3. **Vendor Service Level Commitment.** Vendor shall exercise all reasonable efforts to provide Covetrus with an aggregate average monthly service level of at least 98%, calculated quarterly on a monthly basis by dividing the total lines Products shipped to Covetrus by the total lines of Products ordered by Covetrus (the "Fill Rate"). If the aggregate average monthly Fill Rate falls below 98% for two consecutive months, Vendor shall pay Covetrus (in the form of a credit memo) an amount equal to 1% multiplied by Covetrus's total Product purchases during the second month of such two-month period, and every month thereafter until service levels return to 98% (the "Fill Rate Fee"). This Fill Rate Fee is in addition to, and in no way limits, any and all other legal rights and remedies available to Covetrus.
4. **EDI.** Vendor shall exchange data with Covetrus through the Electronic Data Interchange ("EDI") using, without limitation, the following transaction sets: (i) 810 Invoice, (ii) 820 Payment Order/Remittance Advice; (iii) 850 Purchase Order; (iv) 856 Advanced Ship Notice/Manifest (including, without limitation, purchase order number, carrier, expected delivery date and location, item description and quantities, and cost; and (v) Trace Sales Data. Specific data fields and any other requirements will be communicated in writing by Covetrus to Vendor from time to time. If Vendor fails to use all required EDI transaction sets, then Covetrus may deduct 1% of the invoice amount from Covetrus' payment of that invoice for each EDI transaction that Vendor has failed to implement until Vendor begins using that EDI transaction set.
5. **Payment Terms.** Covetrus must pay all amounts due and payable with respect to a Product to be delivered by Vendor 2% net 30 days, net 60 days, from the later of Covetrus' receipt of Product or Covetrus' receipt of Vendor's invoice for that Product. All payments to Vendor shall be made, at Covetrus's option, by credit card, EDI, Automated Clearing House (ACH), or electronic wire transfer to an account designated by Vendor in writing from time to time. Covetrus may deduct an administrative fee equal to 10% of the invoice amount to cover costs for margin reimbursement processes, contract administration, master item file costs, administering the procurement of inventory, and trace sales reporting.
6. **Delivery and Risk of Loss.** All orders will be FOB Covetrus's warehouse as indicated in an Order Form. Products sent from Covetrus's National Distribution Center may be subject to an additional fee. Legal title to and risk of loss of all Products purchased by Covetrus hereunder will be transferred to Covetrus upon Products being accepted by Covetrus at Covetrus's warehouse. In the event that any Products are damaged during shipment to Covetrus or are otherwise defective, Covetrus shall notify Vendor and provide reasonable substantiation. At Covetrus's election, Vendor shall either promptly deliver substitute Products to Covetrus or issue Covetrus a full credit for the same.
7. **Product Transfers and Overages.** If Vendor fails to obtain proper licensing for any state and Covetrus must transfer Product between its distribution centers to satisfy customer orders as a result of that failure, then Vendor must pay Covetrus a fee equal to 10% of the cost of the Product that must be transferred during the period for which Vendor does not have proper licensing. Payment shall be made within 30 days of receipt of Covetrus' claim for payment. In addition, Vendor must pay any freight costs for any Product overages shipped by Vendor to any Covetrus distribution center or customer location that must be returned to Vendor.
8. **Floor Stock Adjustment.** Vendor agrees to provide a floor stock adjustment when Vendor decreases price of an item and Covetrus has inventory on hand at the old price. Such floor stock adjustment shall be equal to the difference in old versus new price multiplied by the amount of inventory on hand at the old price.
9. **Product Expiration.** For Products subject to expiration dates, Covetrus may return any unsold Products to Vendor within 90 days of such Product's expiration date and Vendor shall promptly provide to Covetrus a full refund for the cost of such returned Product at the price paid by Covetrus for such Product.
10. **Vendor's Warranties.** Vendor hereby represents and warrants that, at the time of delivery of the Products to Covetrus: (a) Vendor holds all licenses required to sell and deliver or arrange for delivery of the Products to Covetrus's warehouses; (b) The Products shall be adequately contained, packaged and labeled, and shall conform to the claims and affirmations of fact made on any container or label, or in any applicable advertisement issued by Vendor; (c) The Products shall not be adulterated, misbranded or otherwise prohibited by any federal, state and local laws, ordinances and regulations in the Territory; (d) The Products shall have a remaining shelf-life for a period of at least eighteen (18) months from the date of such delivery to Covetrus.
11. **Limitation of Liability.** EXCEPT AS OTHERWISE PROVIDED HEREIN IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL (INCLUDING, WITHOUT LIMITATION, LOST PROFITS), SPECIAL OR PUNITIVE DAMAGES FOR ANY CLAIM HEREUNDER RESULTING FROM ANY CAUSE WHATSOEVER, WHETHER BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE REGARDLESS OF WHETHER SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
12. **Adverse Events and Product Complaints.** Covetrus shall report to Vendor any adverse event, and/or product complaint, involving animals associated with any Product, whether or not considered to be product related, and whether or not used according to the label. In addition, Vendor shall report all product/manufacturing defects or product complaints (any communication that alleges deficiencies related to the identity, quality, purity, durability, reliability, safety, effectiveness, or performance) involving the Product to Covetrus. A reportable event may also include an environmental or residue-related observation. These events should be reported by each party to the other party within three (3) days and will provide the following information: (a) Reporter: name, address and phone number of animal owner and/or veterinarian; (b) Event: summary of what happened, when, concurrent treatments, how the reaction was treated and outcome of reaction, details of the alleged product complaint; (c) Animal: species, breed, age, weight, number treated, number reacted, number died, other health problems, state of health at time of reaction; (d) Product: therapy dates, duration dosage, reason for use, administered by whom and lot number; and (e) Product Complaint: any communication that alleges deficiencies related to the identity, quality, purity, durability, reliability, safety, effectiveness, or performance of a distributed Product.
13. **Recall Expense Reimbursement.** In the event of a recall, Covetrus will invoice Vendor for any and all costs associated with those services Covetrus provides as mutually agreed upon by the parties in the execution of the manufacturer's recall including but not limited to, identification and sequestering of any recalled

inventory still in-house, data mining to identify accounts that purchased recalled Product(s) and providing such data to the Vendor and/or contacting the affected accounts with specific instructions on what to do with that recalled Product, providing freight collection services to have the Product returned to Covetrus (if applicable), warehousing and managing returned inventory according to the parameters of the recall, return shipping to the Vendor or Vendor's designated recall processing designee, issuing customer credits for returned Product when applicable, and handling the expense reimbursement (receivable) for any and all services provided by Covetrus in facilitating Vendor's recall. Once invoiced, Vendor shall reimburse Covetrus net 30 days. Delinquent payments will be assessed a late fee of 1.5% per month (18% annually).

14. **Trademark Use.** Each Party shall retain exclusive ownership of its own trademarks, and Covetrus's use of Vendor's trademarks shall be for the sole purpose of performing its responsibilities to Vendor in connection with the advertising, promotion, marketing, distribution and sale of the Products.
15. **Post-Expiration/Termination Use.** Upon expiration or termination of any Letter, if Vendor does not repurchase Covetrus's entire inventory of Products remaining on hand at Vendor's selling price to Covetrus, then Covetrus shall have the right to continue to use the Trademarks to sell any such remaining inventory of Products.
16. **No Liability.** Neither party shall be liable to the other for compensation, reimbursement or damages because of any loss of anticipated sales/rentals or prospective profits or because of expenditures, investments, leases, property improvements or other matters related to the business or goodwill of the parties.
17. **Non-Disclosure.** Vendor and Covetrus acknowledge that in the performance of their duties hereunder each may obtain access to confidential information of the other. The parties agree that, unless specifically permitted in writing by the other party, each will (x) retain in confidence and not disclose to any third party, and (y) use only for the purpose of carrying out their duties hereunder, any such confidential information. For the avoidance of any doubt, such confidentiality restrictions on Vendor include, but are not limited to, disclosure of Covetrus's sales and pricing information to any third party which aggregates sales information/data for the production of industry market reports or analysis. It is understood that money damages would not be sufficient for any breach if this provision by either party or their representatives, and the parties agree that each party shall be entitled to equitable relief, including, without limitation, injunction and specific performance in the event of any breach of this provision.
18. **Governing Law.** The relationship between the parties will be governed by and construed in accordance with the laws of the State of Delaware as applicable to contracts made and to be performed in that state, without regard to conflicts of laws principles. Any action must be brought in any court that has subject matter jurisdiction and is located in the State of Delaware and that such court will have personal jurisdiction over the parties for purposes of the action, and each party waives any objection to venue.
19. **Force Majeure.** If a Party is prevented, hindered or delayed in performing its obligations by an event not reasonably foreseeable which is due to a cause beyond such Party's control which renders performance of that Party's obligations impossible or so difficult and costly as to be commercially unreasonable, then, upon giving written notice thereof to the other Party, such Party shall be released from any liability on its part for the performance of its obligations (except for any obligation to pay amounts due and owing hereunder). During any such period that the performance by one Party has been suspended, the other Party may likewise suspend the performance of its obligations hereunder to the extent it is commercially reasonable to do so.
20. **Independent Parties.** Each party is acting as an independent contractor, and no party is an employee, partner, agent or legal representative of the other party for any purpose whatsoever. Neither party is granted any right or authority to assume or to create any obligation, liability or responsibility, express or implied, on behalf of or in the name of the other party.
21. **Notices.** All notices or communications between the parties shall be in writing and shall be effective upon the earlier of: (i) actual receipt; or (ii) the next business day following deposit with a nationally recognized overnight courier service with any delivery fees pre-paid and addressed to the Party at the address set forth in the Letter (or at such other address as may have been designated by written notice).
22. **Entire Agreement; Amendment; Waiver.** These terms and conditions, and any Letter between the Parties reflects the entire agreement between Vendor and Covetrus concerning the subject of the arrangement and supersedes all other prior and contemporaneous agreements between the parties. The failure of either party to enforce at any time any of the provisions of these terms and conditions will not be construed to be a waiver of such provision or of the right of that party to subsequently enforce any such provision.
23. **Government Approvals.** The Parties shall be responsible for obtaining and maintaining all regulatory approvals and any amendment or supplements required, if any to fulfill their own obligations hereunder.
24. **Regulatory Inquires.** Each Party shall promptly inform the other Party of the existence and substance of any inquiry or investigation related to Products initiated by any government authority or certification agency that may reasonably be anticipated to affect either Party's ability to fulfill their obligations hereunder or that may reasonably be related to potential end user or patient safety concerns.
25. **Regulatory Inspections and Information.** To the extent required by law or at its reasonable discretion, each Party shall each permit all governmental authorities and certification agencies the reasonable right to inspect their respective facilities at which the Products or any components of them are handled, stored, shipped, and all records related to them. Both Parties shall reasonably assist such governmental authorities and certification agencies with such inspections. Each Party shall promptly notify the other of all such inspections related to or affecting the Products, and shall use reasonable efforts to provide the other Party the opportunity to be present at such inspections and shall use reasonable efforts, time of the essence, to comply with the government authority or certification agency requests for one Party to produce information that this confidential in nature to the disclosing Party, which as end user customer companies and contact information and location of the Products, Confidential Information and intellectual property and provided pursuant to this Section shall be solely used for the strict and limited purpose of complying with the government authority or certification agency requests or mandates, and shall not be used by the receiving Party for any commercial use, and shall be protected as confidential information.
26. **Product Complaints/Reports.** Each Party shall promptly provide the other Party notice of any information regarding real or potential defects and complaints about the Products or would reasonably be material to the safety of them for their intended use. Each Party shall reasonably cooperate with the other in sharing any information that may constitute a complaint related to the Products. The Parties shall further use reasonable efforts to assist one another in investigating and correcting any problems that end user customers may experience with the Products, and implement any corrective action or communication. Vendor shall reimburse Covetrus for the cost and expense incurred in the performance of those actions.
27. **CG&I.** Vendor shall maintain CG&I insurance coverage in the amount of \$3,000,000. Vendor shall (a) guarantee certain conditions with respect to the Products; (b) indemnify and hold harmless Distributor and its managers, officers, employees, agents and affiliates; and (c) maintain insurance coverage that includes claims or costs incurred by Covetrus related to intellectual property, products liability, misrepresentation, breach, negligence or willful misconduct of Vendor, recall or seizure of Products, and false, misleading or deceptive advertising claims related to the Products or Covetrus' sale of the Products.