

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

**IN RE HENRY SCHEIN, INC.
DERIVATIVE LITIGATION**

Lead Case No. 1:19-cv-06485-LDH-JO

This Document Relates to:

ALL ACTIONS

**NOTICE OF PROPOSED SETTLEMENT
OF SHAREHOLDER DERIVATIVE ACTION AND OF HEARING**

**TO: ALL PERSONS OR ENTITIES WHO HOLD OR BENEFICIALLY OWN,
DIRECTLY OR INDIRECTLY, COMMON STOCK OR SECURITIES OF HENRY
SCHEIN, INC. AS OF JUNE 26, 2020**

*THIS NOTICE CONCERNS A PROPOSED SETTLEMENT OF THE ABOVE-CAPTIONED SHAREHOLDER
DERIVATIVE LAWSUIT AND CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS
CONCERNING THE LAWSUIT. THIS NOTICE DOES NOT EXPRESS THE COURT'S OPINION ABOUT THE
MERITS OF ANY CLAIMS OR DEFENSES IN THE LAWSUIT. THE STATEMENTS IN THIS NOTICE ARE
NOT FINDINGS OF THE COURT.*

*THIS ACTION IS NOT A "CLASS ACTION." THUS, THERE IS NO COMMON FUND UPON
WHICH YOU CAN MAKE A CLAIM FOR A MONETARY PAYMENT.*

All securities holders of Henry Schein, Inc. ("Schein") are hereby notified that a settlement (the "Settlement") has been reached as to claims asserted in the above-captioned shareholder derivative action pending in a federal court in New York (the "Derivative Lawsuit") on behalf of Schein against certain current or former directors and officers of Schein. The terms of the proposed Settlement are set out in a Settlement Agreement that has been filed with the Court.

If the Settlement is approved (and the approval becomes final and no longer subject to appeal), it will release all of the claims in this lawsuit.

A hearing on the Settlement has been scheduled for September 22, 2020, at 11:00 a.m. ET (the "Fairness Hearing"), before U.S. District Judge LaShann DeArcy Hall, in the United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, NY 11201.

At the Fairness Hearing, the Court will determine (i) whether to approve the proposed Settlement as fair, reasonable, and adequate and in the best interests of Schein and its shareholders and (ii) whether to dismiss the Derivative Lawsuit on the merits and with prejudice, enjoin the prosecution of all related claims, and release the defendants and their related individuals and entities (as defined in the Settlement Agreement as "Releasees") from all claims of the type asserted in the Derivative Lawsuit.

The Court may, in its discretion, change the date and/or time of the Fairness Hearing without further notice to you. The Court also has reserved the right to hold the Fairness Hearing telephonically without further notice to you. If you intend to attend the Fairness Hearing, please consult the Court's calendar and/or the websites of plaintiffs' counsel (www.thebrownlawfirm.net/news/ and www.rosenlegal.com/newsroom.html) for any change in date, time, or format of the Fairness Hearing.

SUMMARY OF THE LITIGATION

The Derivative Lawsuit alleges breaches of fiduciary duty and other misconduct by Schein officers and directors arising out of (i) alleged anticompetitive conduct by Schein in its dental supply business, (ii) Schein's public statements about competition in the dental supply business, and (iii) a spin-off of Schein's Animal Health Business and the merger of that business with Direct Vet Marketing, Inc. (d/b/a Vets First Choice) to create Covetrus, Inc.

The Derivative Lawsuit seeks damages on behalf of Schein against Stanley J. Bergman, Steven Paladino, Timothy J. Sullivan, Barry J. Alperin, Lawrence S. Bacow, Gerald A. Benjamin, James P. Breslawski, Paul Brons, Shira Goodman, Joseph L. Herring, Donald J. Kabat, Kurt Kuehn, Philip A. Laskawy, Anne H. Margulies, Karyn Mashima, Norman S. Matthews, Mark E. Mlotek, Carol Raphael, E. Dianne Rekow, Bradley T. Sheares, and Louis W. Sullivan (collectively, the "Derivative Defendants"). The Derivative Defendants deny that the claims made in the Derivative Lawsuit have any merit.

This notice is intended to provide only a summary of the plaintiffs' claims in two lawsuits that have now been consolidated into the Derivative Lawsuit. If you hold or held, or beneficially own or owned, directly or indirectly, common stock or other equity securities of Schein, you should review the complaints for their full content. Both complaints can be found at plaintiffs' counsel's websites – www.thebrownlawfirm.net/news/ and www.rosenlegal.com/newsroom.html.

REASONS FOR SETTLEMENT

Subject to the completion of confirmatory discovery, Derivative Plaintiffs and their counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of Schein and its shareholders. They reached this conclusion after considering: (i) the claims asserted against the Derivative Defendants and the potential defenses to those claims, (ii) the substantial benefits that Schein would receive from the Settlement and (iii) documents and other information concerning the facts and circumstances that gave rise to the claims.

Derivative Defendants expressly deny that plaintiffs' claims have any merit or that pursuit of such claims would be in the best interests of Schein or its shareholders. They expressly deny all assertions of wrongdoing or liability arising out of any of the conduct, statements, acts, or omissions that were, could have been, or could be asserted against them in the Derivative Lawsuit. Schein considers the terms of the proposed Settlement to be in the best interests of Schein and its shareholders. As discussed below, the proposed Settlement confers substantial benefits on Schein.

PRINCIPAL SETTLEMENT TERMS

Settlement Relief

Subject to the terms and conditions discussed in the Settlement Agreement, Schein will adopt, implement, and maintain (i) antitrust enhancements and (ii) merger and acquisition guidelines

(collectively, the “Settlement Relief”). The Settlement Relief includes, subject to the terms and conditions in the Settlement Agreement, (i) creation and appointment of an antitrust compliance officer, (ii) enhanced policies, practices, procedures, and documentation regarding antitrust risk assessment and training, and (iii) creation and documentation of merger and acquisition guidelines. The Settlement Relief, which is set out in Exhibits E and F of the Settlement Agreement, can be reviewed at plaintiffs’ counsel’s websites – www.thebrownlawfirm.net/news/ and www.rosenlegal.com/newsroom.html. If the settlement receives final approval by the Court, the Settlement Relief will confer substantial benefits on Schein and its shareholders, which benefits were directly and proximately caused by the filing of the complaints by Derivative Plaintiffs and the Settlement.

Release

The Settlement Agreement, if approved and no longer subject to appeal, will result in a release of all claims that (i) arise directly or indirectly from the operative facts and were, could have been, or could be asserted by or on behalf of Schein and/or (ii) all claims that were, could have been, or could be asserted in the Derivative Lawsuit through the date of final approval of the settlement against the Derivative Defendants (and related persons and entities defined in the Settlement Agreement as “Releasees”). Court approval of the settlement will also result in an injunction and order barring the prosecution of any such claims against any of the Releasees. The full release (including all of its relevant definitions) is set out in the Settlement Agreement, which is available at plaintiffs’ counsel’s websites – www.thebrownlawfirm.net/news/ and www.rosenlegal.com/newsroom.html.

STATUS OF SETTLEMENT

The Court issued a preliminary approval order regarding the Settlement on June 10, 2020, in which the Court found that the proposed Settlement is within the range of possible approval and that notifying Schein’s shareholders and scheduling a hearing for approval of the proposed Settlement were warranted. The Court’s preliminary approval order is available at plaintiffs’ counsel’s websites – www.thebrownlawfirm.net/news/ and www.rosenlegal.com/newsroom.html.

The Court has not made (and will not make in connection with its consideration of the proposed Settlement) any determination as to the merits of any of the claims or defenses in the Derivative Lawsuit. This notice does not imply that any Derivative Defendant (or any other Releasee) would be found liable or that relief would be awarded if the Derivative Lawsuit were not being settled.

ATTORNEYS’ FEES AND EXPENSES

In consideration of the substantial benefits conferred upon Schein and its shareholders, and subject to the Court’s approval, Schein has agreed to pay or cause to be paid \$1,850,000 in attorneys’ fees and expenses to counsel for the Derivative Plaintiffs, out of which sum \$5,000 will be paid to each of the two Derivative Plaintiffs.

YOUR RIGHT TO OBJECT AND TO APPEAR AT THE FAIRNESS HEARING

If you agree that the proposed Settlement should be approved as fair, reasonable, and adequate and in the best interests of Schein and its shareholders, you do not need to do anything. However, if you wish to object to any aspects of the proposed Settlement, you may submit a written objection on your own (or through an attorney you hire at your own expense), and you (or your attorney, if you have hired one) may appear at the Fairness Hearing. **YOUR OBJECTION MUST BE RECEIVED BY THE**

COURT AND THE COUNSEL IN THE CASE BY NO LATER THAN AUGUST 25, 2020, AS FOLLOWS.

<i>File with the Court:</i>	<i>Serve on Counsel for Derivative Plaintiffs:</i>	<i>Serve on Counsel for Schein and Derivative Defendants:</i>
Clerk of Court United States District Court for the Eastern District of New York 225 Cadman Plaza East Brooklyn, NY 11201	Laurence Rosen Phillip Kim The Rosen Law Firm 275 Madison Ave., 40th Floor New York, NY 10016 Telephone: (212) 686-1060 Facsimile: (212) 202-3827 rosen@rosenlegal.com pkim@rosenlegal.com	Peter D. Doyle Jonathan E. Richman Proskauer Rose LLP 11 Times Square New York, NY 10036 Telephone: (212) 969-3000 Facsimile: (212) 969-2900 pdoyle@proskauer.com jerichman@proskauer.com

The Preliminary Approval Order sets out the procedures that you must follow if you want to object and if you want to appear at the hearing. It is available at plaintiffs' counsel's websites – www.thebrownlawfirm.net/news/ and www.rosenlegal.com/newsroom.html.

PRELIMINARY INJUNCTION

Pending final determination of whether to approve the Settlement Agreement, the Court has preliminarily barred and enjoined holders of Schein's common stock and other equity securities and individuals and entities related to them (including anyone purporting to act on behalf of or derivatively for any of them) from filing, commencing, prosecuting, intervening in, participating in, or receiving any benefits or other relief from, any other lawsuit, arbitration or administrative, regulatory or other proceeding against any Releasees in any forum based on or relating to claims that will be released or barred by the Settlement Agreement if the Court approves it (including all claims that may be brought in a derivative capacity on behalf of Schein). The full terms of the preliminary injunction are in the Preliminary Approval Order, which is available at plaintiffs' counsel's websites – www.thebrownlawfirm.net/news/ and www.rosenlegal.com/newsroom.html.

QUESTIONS REGARDING THE PROPOSED SETTLEMENT

Please do not write or telephone the Court about the proposed Settlement Agreement. If you have any questions, you should contact the Derivative Plaintiffs' counsel Phillip Kim at The Rosen Law Firm P.A., 275 Madison Avenue, 40th Floor, New York, NY 10016; Telephone: (212) 686-1060 or Timothy Brown at The Brown Law Firm, P.C., 240 Townsend Square, Oyster Bay, NY 11771; Telephone: (516) 922-5427.

June 26, 2020

BY ORDER OF THE COURT:

THE HONORABLE LASHANN DEARCY HALL