

Documents Produced by
CVS Health Corp.
(CVS Caremark)

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April 26, 2019

CONFIDENTIAL

Via Hand Delivery

The Honorable Charles E. Grassley
Chairman
Senate Finance Committee
135 Hart Senate Office Building
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Senate Finance Committee
221 Dirksen Senate Office Building
Washington, DC 20510

Re: April 2, 2019 Letter to Larry Merlo

Dear Senators Grassley and Wyden:

On behalf of CVS Health Corporation ("CVS Health"), I write in response to your April 2, 2019 letter to Larry Merlo regarding the rising cost of insulin treatments. CVS Health shares your concerns, and is committed to reducing the cost of insulin for patients and improving health outcomes for patients living with diabetes.

A significant portion of health care spending for people with diabetes is on insulin. Insulin is manufactured by only three main companies, and is the primary form of diabetes treatment. Unlike most other therapeutic classes, there has been no generic alternative available for insulins to compete with the brand name manufacturers, even though insulins have been on the market for over 30 years. By comparison, other non-insulin, oral diabetic drugs with generic competition had prices either fall or not rise nearly as significantly as insulin.

CVS Health's pharmacy benefit management ("PBM") business, CVS Caremark, administers prescription drug benefits for millions of Americans for a variety of health plan sponsors – including health plans, employers, unions, and government programs like Medicare

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Part D and Medicaid. Antidiabetic drugs are a top spend driver for our payer clients. Trend in this category has been driven by price inflation in the mid-teens and utilization growth of more than five percent. However, our formulary and utilization management options help reduce the impact of the rising trend. Our latest 2018 data indicates that we have been able to reduce the total cost of diabetes drugs, including insulin, by 1.7 percent despite brand price inflation of 5.6 percent.

We work to control the cost of insulin for our clients in part by negotiating directly with manufacturers to lower their net prices based upon a number of factors, including formulary placement. We also seek opportunities to increase competition in the market, an example of which was our early adoption of Basaglar. The Food and Drug Administration ("FDA") approved Basaglar as safe and effective at improving glycemic control late in 2015, followed by its launch in late 2016. We were ahead of the industry in adopting Basaglar as the preferred long-acting insulin, removing the branded products Lantus and Toujeo from our template formularies.

As discussed on our April 12, 2019 telephone call, we are responding to your request for information on a rolling basis, beginning today. Along with this letter we are producing documents that have been bates stamped **CVSCM_SFC_0000001 – CVSCM_SFC_0002242**. These documents are primarily responsive to your request for formularies and the process by which formulary decisions are made. In addition, we provide below a response to some of the questions you pose regarding CVS Caremark's processes with respect to rebates, formularies, and retail pharmacy reimbursement. We continue to gather and assemble information responsive to your requests and will continue a rolling production of information to you.

- 3. Please explain your process for making pricing and rebate determinations. Please provide the names of the departments, divisions and key employees involved in rebate and pricing decisions. Please provide the names and positions of all members of your company's manufacturer contracting group, and all policies, procedures and guidelines to which that group adheres. Please explain how the manufacturer contracting group interacts with the PBM's Pharmacy and Therapeutics (P&T) Committee. Who has final approval of pricing and rebate decisions, and how are these decisions communicated to plans, manufacturers and other entities within the insulin supply chain? Has your company ever had discussions with insulin manufacturers about the list prices they set for insulin products? If so, what were the nature of those discussions?**

CVS Caremark does not make "pricing" determinations for insulin products or any other prescription drug products. Manufacturers set the list prices for drugs. CVS Caremark does not control or influence the list prices set by manufacturers. CVS Caremark does not negotiate changes in list prices or engage in discussions with manufacturers that would encourage or discourage changes in list price.

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When there is more than one drug available in a therapeutic category, CVS Caremark works to obtain the lowest net cost by soliciting manufacturers to submit competing rebate offers. When CVS Caremark solicits bids for a category of drugs, the Trade Relations group sends a request for proposal to all branded manufacturers making drugs within the category.

Manufacturers decide what rebate amounts or percentages to offer and submit a bid. The bid will typically reflect a variety of different rebate amounts or percentages that the manufacturer is willing to offer depending on client decisions regarding formulary placement and other benefit design choices. Once a bid is received, the Trade Relations group negotiates with the manufacturer to formalize the bid as a binding contract.

Manufacturers are incentivized to offer rebates that deliver the lowest net cost for their product because they understand that other manufacturers will submit bids as well. Net cost is a factor the Trade Relations group takes into account when making formulary recommendations to the CVS Caremark Formulary Review Committee ("FRC"). Other factors considered when developing CVS Caremark's template formularies include clinical guidance, marketplace dynamics, and the potential for patient disruption. Ultimately, the FRC submits template formularies to the CVS Caremark National Pharmacy & Therapeutics ("P&T") Committee for final approval.

Clients have ultimate control over formulary decisions. A client may choose to adopt one of CVS Caremark's template formularies or utilize a custom formulary. The formulary a client chooses will determine the coverage and placement of a drug, which determines the manufacturer-offered rebate amounts that will apply.

4. **Please explain your process for making PBM-based formulary placement decisions for insulin products, including specifically answering the following questions:**
 - a. **Please provide the names of the departments, divisions and key employees involved in formulary placement decisions. Who has final approval of formulary decisions, and how are these decisions communicated to plans, manufacturers and other entities within the insulin supply chain?**

Please see the response to #3 above.

The Trade Relations group makes formulary recommendations to the FRC, which in turn submits template formularies to the P&T Committee for approval. Template formularies must be approved by the P&T Committee. Ultimate control of formulary decision as to any given client resides with that client, which either selects one of the template formularies designed and offered by CVS Caremark or else chooses to utilize a custom formulary.

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- b. **(Partial) What is the role of the PBM's P&T Committee? What is the process that the P&T Committee uses to determine pricing and rebate decisions? Does the P&T Committee have discretion to make decisions and recommendations independently?**

Please see the response to #3 above.

The P&T Committee does not make pricing or rebate decisions. The P&T Committee is an independent, external advisory body of experts from across the United States; the regular voting members are not employees of CVS Caremark. The P&T Committee reviews and approves all CVS Caremark template formularies quarterly. It meets face-to-face on a quarterly basis and, as needed, on an ad hoc basis. The P&T Committee bases its decisions on scientific evidence, standards of practice, peer-reviewed medical literature, accepted clinical practice guidelines and other appropriate information. The P&T Committee makes decisions from a purely clinical perspective; it does not have access to nor does it consider any information on rebates, negotiated discounts, or net costs.

The FRC is an internal CVS Caremark committee that evaluates additional factors that may affect formulary placement. For example, the FRC may evaluate factors such as utilization trends, impact of generic drugs or drugs designated to become available over-the-counter, brand and generic pipeline, plan sponsor cost, applicable manufacturer agreements, and potential impact on members. The FRC recommends template formularies based on such factors to the P&T Committee. Template formularies must be approved by the P&T Committee.

9. Regarding business relationships with pharmacies:

- a. **How does your company determine the reimbursement rate for pharmacies that dispense medications? In your answer, please explain whether and how your company considers overhead costs, profit margins, costs to obtain the prescription drugs from the manufacturers and/or wholesalers, and out-of-pocket costs to the patient when determining the reimbursement rate.**

CVS Caremark negotiates rates with contracted pharmacies at the pharmacy, pharmacy chain, or pharmacy service administrative organization ("PSAO") level. These contracts provide for reimbursement using the industry standard lesser-of logic. Contracts typically set reimbursement as the lesser-of (1) the "usual and customary" price (*i.e.*, cash pay price), (2) submitted ingredient cost plus a dispensing fee, or (3) the contractual rate. For generic drugs, there is a fourth element – the Maximum Allowable Cost ("MAC") price. Some contracts do not include submitted ingredient cost and instead use two elements: the lesser-of (1) the "usual and customary" price or (2) the contractual rate or the Maximum Allowable Cost for generics on a MAC list.

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Brand drug reimbursement is typically expressed as a percentage discount from average Wholesale Price (“AWP”) plus a dispensing fee. Generic drug reimbursement differs from branded drug reimbursement due to the use of MAC pricing. CVS Caremark uses MAC lists to provide pricing by individual generic drug. CVS Caremark contracts may express generic drug reimbursement as a discount from AWP plus a dispensing fee or MAC plus a dispensing fee. Not all generic drugs are subject to MAC pricing. Some contracts have a Generic Effective Rate (“GER”), an average discount from AWP, which is calculated on a periodic basis.

- b. Does your company use a Maximum Allowable Cost (MAC) list? If so, please provide copies of that list relating to any insulin products on formularies your company created.**

CVS Caremark uses MAC lists to provide pricing by individual generic drug. Insulin products are not included on MAC lists, as there have been no generic alternatives available for insulins.

- c. (Partial) Does your company employ spread pricing contracts?**

Yes. Under the traditional or “spread pricing” model, CVS Caremark separately negotiates: (1) rates with its clients for the provision of pharmacy services; and (2) reimbursement rates with pharmacies to dispense drugs to patients. In lieu of administrative fees, CVS Caremark earns a “spread” between the price charged to its clients and the reimbursement paid to pharmacies. This spread is used to cover CVS Caremark’s expenses for various services, such as clinical and customer support, programs to improve medication adherence, management of the drug formulary and rebates, and more. Spread pricing can be thought of as the gross profit a seller earns when selling an item for more than the purchase price (*i.e.*, revenue minus cost of goods sold), before accounting for the seller’s other operating, overhead, and other expenses.

A benefit to clients from spread pricing is that they receive greater price certainty on the drug costs for which they will be responsible. Clients value this predictability, particularly given continuous fluctuations in reimbursement rates and drug costs. Meanwhile, CVS Caremark is responsible for negotiating prices below the levels contracted with the client. CVS Caremark is thus incentivized to negotiate lower rates with pharmacies. Spread pricing can therefore be a win-win for the PBM and clients.

- d. (Partial) Does your company employ pass-through contracts?**

Yes. Under this model, CVS Caremark negotiates reimbursement rates with pharmacies, and CVS Caremark’s clients pay those negotiated rates. In lieu of the spread paid to PBMs under the traditional model, pass-through clients pay CVS Caremark administrative fees for providing PBM services.

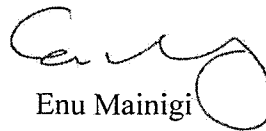
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CVS Caremark clients are able to choose the pricing model that they prefer. While some opt for pass-through pricing, many other clients view the traditional model as more advantageous depending on their circumstances. In a pass-through model, the administrative fees that PBMs receive from clients are not tied to performance in negotiating pharmacy reimbursement rates.

As noted above, we will continue providing the Committee with information on a rolling basis. We would also appreciate an opportunity to speak with you regarding some of your requests, so that we may better understand what you are seeking and what we are able to provide in response. Specifically, we would like to discuss request numbers 2, 5, 7, and 8. We look forward to discussing further, and in the meantime, please do not hesitate to contact me with any questions.

Sincerely,



Enu Mainigi

Enclosures

CC: Joshua Flynn-Brown
Peter Gartrell

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Re: April 2, 2019 Letter to Larry Merlo

Dear Senators Grassley and Wyden:

On behalf of CVS Health Corporation ("CVS Health"), I write in further response to your April 2, 2019 letter to Larry Merlo. As discussed on our April 12, 2019 telephone call and in my April 26, 2019 letter, we are responding to your request on a rolling basis. We provide below a response to some of the questions you pose regarding CVS Caremark's business relationships with insulin manufacturers and CVS Caremark's negotiations with pharmaceutical companies. We continue to gather and assemble information responsive to your requests and will continue a rolling production of information to you.

- 1. Regarding your business relationships with insulin manufacturers:**
 - a. Please provide a list of all insulin manufacturers with which your company has had contracts, agreements or business relationships at any time since January 1, 2013. Please explain the nature and scope of your company's business relationships with each manufacturer, including but not limited to, the size of the insulin business and any**

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ancillary, consulting or other services, such as patient on-boarding, that your company provided these manufacturers. In addition to rebates, please list all other discounts and price concessions your company receives from insulin manufacturers – with respect to their insulin products – and fees collected that were based upon each price concession. Please also describe all other benefits that were agreed to as part of the price concession negotiation including, but not limited to, elimination of prior authorization, step therapies, and other utilization management methods.

CVS Caremark, CVS Health's PBM business, has had contracts, agreements or business relationships with the following insulin manufacturers at some time since January 1, 2013: Eli Lilly and Company, Novo Nordisk Inc., Sanofi-Aventis U.S. LLC, and MannKind Corporation. CVS Caremark has entered into rebate agreements with each of these manufacturers covering insulin products, as well as other drugs (where applicable). Pursuant to those agreements, the manufacturers pay rebates and administrative fees to CVS Caremark based on utilization of insulin products and plan design decisions made by clients, including formulary and utilization management strategies.

In 2017, CVS Caremark also entered into an Insulin Affordability Program Discount Agreement with Novo Nordisk Inc. ("Novo"). The contract concerns a point-of-sale discount card program that enables uninsured patients, underinsured patients, and patients in high-deductible health plans to obtain reduced pricing on an insulin product manufactured by Novo. Pursuant to the agreement, Novo pays discounts and administrative fees to CVS Caremark based on utilization of the insulin product.

In negotiating rebate agreements, CVS Caremark makes no agreement to eliminate prior authorization, step therapies, or other utilization management methods. Instead, CVS Caremark and manufacturers agree to a range of different rebate amounts or percentages that may apply depending on client decisions regarding formulary and utilization management strategies. Clients choose which formularies to use and which utilization management strategies to apply.

- c. **What cost inflation or growth rate limits does your company require from insulin manufacturers, specifically, and other manufacturers, generally? Are such limits based on list price, net price or both? What penalties, fees, rebates or other payments, if any, must manufacturers make if they exceed such commitments? How does your company account for such penalties, fees, rebates or payments from manufacturers? That is, are they kept separate from other rebate revenue, or accounted for together?**

Manufacturers are solely responsible for setting, raising, or lowering list prices. CVS Caremark does not negotiate changes in list prices or engage in discussions with manufacturers

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that would encourage or discourage a change in list price. CVS Caremark does however negotiate rebates that contain price protection provisions that are triggered when list prices increase. This protects our clients from manufacturers' inflationary actions, and preserves predictability in their drug spend. Although the details regarding price protection vary from drug to drug, price protection is measured based on the changes a manufacturer makes to the Wholesale Acquisition Cost ("WAC"), which is often referred to as "list price." CVS Caremark maintains data that permits it to distinguish what amounts invoiced by CVS Caremark to a manufacturer are attributable to rebate provisions, administrative fee provisions, and price protection provisions.

- d. Please provide a list of all instances in which a contract was terminated before its expiration date. In each instance, please provide the reason for such termination, and identify the party responsible for such termination.**

CVS Caremark is unaware of any instance in which a contract with an insulin manufacturer was terminated before its expiration date, except to the extent that a prior contract was replaced with a new one.

6. Regarding negotiations with pharmaceutical companies:

- a. Please list all types of financial transactions, contracts, terms of service and other agreements that are contingent in any way upon the size of a rebate or other price concessions paid by insulin manufacturers. In regard to insulin transactions, how do the size of rebates and other price concessions from pharmaceutical manufacturers affect the financial compensation your company receives? How does the size of a rebate and other price concessions affect your company's revenue and gross profit per claim? How would it affect the cost to the plans on behalf of which you are negotiating? Are there situations in which a larger rebate or price concession would incentivize your company to select a higher-priced insulin over a lower-priced therapeutic equivalent? Why or why not?**

CVS Caremark is unaware of financial transactions, contracts, terms of service, or other agreements with insulin manufacturers that are contingent upon the size of rebates paid by insulin manufacturers. Contracts between CVS Caremark and its clients do not contain provisions contingent upon the size of rebates paid specifically by insulin manufacturers, but may sometimes contain provisions that are contingent upon the total rebates attributable to utilization by the clients' members.

Whether and to what extent CVS Caremark and/or a specific client is affected by the size of negotiated rebates depends on a variety of factors, including formulary and utilization

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management decisions made by the client, the terms of CVS Caremark's agreement with the manufacturer, and the terms of CVS Caremark's contract with the client. However, as a whole and keeping all else equal, net costs to clients decrease as the size of rebates increase. As a whole, CVS Caremark currently retains only two percent of rebates, while the rest are passed along to our clients. In part D, we effectively pass along 100 percent of the rebates to the Part D plans, which use them, in general, to lower premiums.

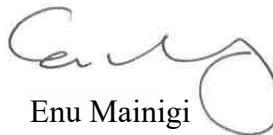
When CVS Caremark develops its template formularies, the size of any rebate or price concession offered by a manufacturer is considered only to the extent that it impacts net cost. Net cost is a factor the Trade Relations group takes into account when making formulary recommendations to the CVS Caremark Formulary Review Committee ("FRC"). Clients may choose to adopt one of CVS Caremark's template formularies or utilize a custom formulary.

- d. Please list and describe all instances since January 1, 2013 in which your company declined an insulin manufacturer's offer of a lower list price in the renegotiation of an existing contract or development of a new one.**

Manufacturers are solely responsible for setting, raising, or lowering list prices. CVS Caremark does not negotiate changes in list prices or engage in discussions with manufacturers that would encourage or discourage a change in list price, nor does CVS Caremark have the authority to accept or reject changes to such prices. CVS Caremark's negotiations with manufacturers focus on aggressively working to lower net cost for our clients.

As noted above, we will continue providing the Committee with information on a rolling basis. In the meantime, please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Enu Mainigi', with a large, stylized loop at the end.

Enu Mainigi

CC: Joshua Flynn-Brown
Peter Gartrell

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Re: April 2, 2019 Letter to Larry Merlo

Dear Senators Grassley and Wyden:

On behalf of CVS Health Corporation ("CVS Health"), I write in further response to your April 2, 2019 letter to Larry Merlo. As discussed on our April 12, 2019 telephone call and in my April 26, 2019 and May 24, 2019 letters, we are responding to your request on a rolling basis. We provide below a response to some of the questions you pose regarding CVS Caremark's business relationships with health plans and programs, formulary placement decisions, negotiations with pharmaceutical companies, handling of health information, and mail-order pharmacy service. We continue to gather and assemble information responsive to your requests and will continue a rolling production of information to you.

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2. Regarding your business relationship with health plans and programs:

- c. What assurances, if any, does your company make to health plans or programs regarding cost inflation, growth rate limits and trend agreements for insulin specifically, and prescription drug prices, generally? What, if any, penalties, fees or payments is your company required to pay if these limits are exceeded? How are these penalties accounted for?**

CVS Caremark does not make assurances to health plans or programs regarding list price inflation, either for insulin specifically or as to prescription drug prices generally. Manufacturers are solely responsible for setting, raising, or lowering list prices.

CVS Caremark does however provide contractual commitments to clients regarding pricing and rebates. These include the following types of guarantees:

Discount or Rebate Guarantee. CVS Caremark may guarantee aggregate pricing of Average Wholesale Price (“AWP”) minus a negotiated discount for brand drugs and a negotiated discount for generic drugs, or CVS Caremark may guarantee a certain level of rebates typically negotiated on a per brand claim basis. In each case, CVS Caremark will make the client whole to the guarantee at the end of the measurement period if CVS Caremark has not performed to the contractual commitment.

Trend Guarantee. CVS Caremark may guarantee that the client’s actual annual gross drug cost per member per month trend will not exceed a certain amount, with a maximum payout by CVS Caremark to the client.

Average Prescription Price Guarantee. Similar to a Trend Guarantee, CVS Caremark may guarantee that the client’s actual cost per prescription will not exceed an average prescription price, with a maximum payout by CVS Caremark to the client.

Transform Diabetes Care Trend Guarantee. CVS Caremark offers a Trend Guarantee specifically for products in the anti-diabetes drug class, including insulin, that is limited to clients participating in the Transform Diabetes Care program. In this situation, CVS Caremark guarantees that the client’s actual annual net drug cost per member per month trend for the anti-diabetes drug class will not exceed a certain amount, with a maximum payout by CVS Caremark to the client.

Guaranteed Net Cost Model. CVS Caremark’s Guaranteed Net Cost model focuses on net cost rather than minimum rebates. Under this model, 100 percent of the rebates attributable to a plan’s utilization are passed through to the plan sponsor. CVS Caremark also takes accountability for the impact of AWP inflation and shifts in drug mix.

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4. **Please explain your process for making PBM-based formulary placement decisions for insulin products, including specifically answering the following questions:**
 - d. **What, if any, analysis is conducted to gauge the impact of formulary placement decisions on your company's business, including, but not limited to revenue, gross profit per claim, rebate amounts, plan costs, and other financial metrics? Please provide all analyses, memoranda, presentations, data and other information that has been used in relation to the business impacts of insulin formulary placement since January 1, 2013. Please also provide any written communications that discuss the business impacts of insulin formulary placement decisions since January 1, 2013.**

CVS Caremark is unaware of analyses conducted to gauge the impact of insulin formulary placement decisions specifically on CVS Caremark's business since January 1, 2013. CVS Caremark conducts analyses to gauge the impact of formulary placement decisions on the net cost of drugs.

- e. **Please provide a list and describe any instances in which an insulin product was provided preferred formulary treatment when a therapeutic substitute was available for a lower net price. What was the reason for this decision? What was the difference in the rebate, discount or price concession between the two drugs?**

CVS Caremark is unaware of any instances in which an insulin product was provided preferred formulary treatment on a template formulary offering when a therapeutically equivalent substitute was available for a lower net cost.

6. Regarding negotiations with pharmaceutical companies:

- c. **Please list and describe all instances since January 1, 2013 in which your company negotiated a rebate for an insulin product that was bundled with a rebate for another product produced by the manufacturer.**

CVS Caremark does not negotiate with manufacturers to obtain rebates that are bundled across multiple products. However, insulin manufacturers have sometimes offered rebates for an insulin product that would vary, in part, depending on the formulary coverage of another insulin product produced by the same manufacturer. For example, if two insulin products offered by a manufacturer were both covered on a formulary, then the manufacturer might offer a higher rebate amount than if only one of the products was covered on a formulary. Which rebate amounts applied would depend on the formulary that a client chose to use.

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7. Regarding your insulin business:

- e. When your company sets co-pays for insulin products, is the co-pay linked to the list price or the rebated price?**

CVS Caremark does not set co-pays for insulin products; our plan sponsor clients are responsible for establishing their plan design, including co-pays.

8. Please explain the health information your company—or any parent company, subsidiary or affiliates, including affiliated pharmacies—collects regarding patients who are pre-diabetic, have been diagnosed with diabetes and/or make claims for insulin. For example, does your company collect health information or maintain records for levels of blood sugar, HbA1c, or albumin in the urine? What information regarding diagnostic and procedure codes does your company maintain? What information is collected regarding patients' prescription adherence? Please detail any other types of diabetes-related health information that is tracked or collected. In each instance, please specify whether this information is collected on a patient level and how the information is collected. Please also answer the following questions:

- f. Does your company sell, profit from, or otherwise share any of the collected information with any third parties, including but not limited to, pharmaceutical manufacturers and consultants? Does your company sell, profit from, or otherwise share any of the collected information with any affiliated entities, including but not limited to, a parent company, subsidiary, or any other affiliate, including affiliated pharmacies? If so, please provide your privacy policy and any contractual restrictions your company impose on these parties' use or further sharing of such information. Please identify each entity to which such information is shared or has been shared since January 1, 2013. Please also explain the specific purposes behind any sharing of such information.**

CVS Caremark maintains comprehensive policies and procedures regarding the use and disclosure of Protected Health Information ("PHI") to ensure compliance with applicable laws as well as obligations set forth in client contracts. CVS Caremark is subject to Business Associate Agreements ("BAA") that provide assurance in the form of a written contract that CVS Caremark and any subcontractor will appropriately safeguard and limit the use and disclosure of PHI.

CVS Caremark does share information with its subcontractor Business Associates to perform certain functions in compliance with the Health Insurance Portability and Accountability

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Act ("HIPAA") and applicable state laws. CVS Caremark's rebate agreements with insulin manufacturers provide for the sharing of de-identified, prescription level-utilization reports; they do not provide for the reporting or sharing of patient-level data, including PHI. CVS Caremark and/or affiliated entities have entered into data reporting or data supply agreements with [REDACTED]

[REDACTED] All such agreements comply with HIPAA and other similar state or federal laws regarding the confidentiality or privacy of information.

10. Does your company operate a mail order pharmacy service? If so, please provide the following:

- a. The formula you use to price insulin purchased through this service, including whether you use a MAC or Average Wholesale Price and what discounts are applied in the calculation.**

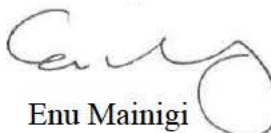
CVS Caremark operates a mail order pharmacy service, through which CVS Caremark dispenses prescription drugs and delivers them via mail. Mail order pharmacy prices, including for insulin, are typically set through CVS Caremark's PBM services contracts with plan sponsors. Mail order pharmacy pricing parallels the approach of retail pharmacy: ingredient cost pricing plus in some circumstances a dispensing fee. The ingredient costs vary by drug and are typically expressed as a discount off of Average Wholesale Price for brand drugs. Plan sponsors may also pay a dispensing fee for each prescription.

- b. The difference between the prices charged to plans for insulin products at preferred retail pharmacies versus through mail order.**

CVS Caremark negotiates reimbursement rates with retail pharmacies that are set forth in contracts with those pharmacies. *See* Response to Question 9a. in April 26, 2019 Letter. Thus, the difference, if any, between prices charged to plans for insulin products at retail pharmacies versus through the mail order pharmacy varies depending on the applicable pharmacy and client contracts.

As noted above, we will continue providing the Committee with information on a rolling basis. In the meantime, please do not hesitate to contact me with any questions.

Sincerely,



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Senators Grassley and Wyden
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Page 2

1. **Regarding your business relationships with insulin manufacturers:**
 - b. **Please provide all contracts between your company and each of these insulin manufacturers that are or have been in effect at any time since January 1, 2013. Examples of the types of contracts include, but are not limited to, supply agreements, pricing agreements, rebate agreements, other types of pricing concession agreements, and all agreements involving the performance of services or the providing of data.**

Along with this letter, we are producing the rebate agreements and Insulin Affordability Program Discount Agreement previously identified in response to question 1(a) in our May 24, 2019 letter. We will send details regarding how you can access this production under separate cover.

2. **Regarding your business relationship with health plans and programs:**
 - b. **For each plan and class, please provide the number of covered lives, the number of covered lives believed to have diabetes, the number of covered lives who made claims for insulin, and the number of insulin claims on an annual basis. In providing these data, please include lives who were covered for only a portion of the calendar year. To the extent this information is reportable on a class level, please provide a list of the plans that are included in each respective class. In all cases, please delineate whether the plan is a Medicare or Medicaid plan.**

In Appendix A to this letter, CVS Caremark provides data and information for each client previously identified in Appendix A to our August 12, 2019 letter. Please note that some of the identified clients are coalitions that negotiate on behalf of a number of individual employers, in which case the data encompasses those employers on behalf of whom the coalition contracts with CVS Caremark.

3. **Please explain your process for making pricing and rebate determinations. Please provide the names of the departments, divisions and key employees involved in rebate and pricing decisions. Please provide the names and positions of all members of your company's manufacturer contracting group, and all policies, procedures and guidelines to which that group adheres. Please explain how the manufacturer contracting group interacts with the PBM's Pharmacy and Therapeutics (P&T) Committee. Who has final approval of pricing and rebate decisions, and how are these decisions communicated to plans, manufacturers and other entities within the insulin supply chain? Has your company ever had discussions with insulin**

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manufacturers about the list prices they set for insulin products? If so, what were the nature of those discussions?

Please see our prior response to question 3 in our April 26, 2019 letter.

Key employees in CVS Caremark's Trade Relations group involved in negotiating or approving rebate agreements with insulin manufacturers are:

- Gary Loeber (Senior Vice President, Trade Relations)
- Patti Doruff (Vice President, Trade Relations)
- Joe Stahl (Vice President, Trade Relations)
- Kevin Wessels (Senior Director, Trade Relations)

Another individual who was involved in negotiating or approving rebate agreements with insulin manufacturers during the relevant time period, but who is no longer employed by CVS Caremark, is Joseph Anderson (formerly Senior Director, Trade Relations).

As previously noted in our April 26, 2019 letter, CVS Caremark does not make "pricing" decisions for insulin products or any other prescription drug products. The financial arrangements that CVS Caremark has with its clients and with insulin manufacturers, including with respect to rebate payments, are known to each client or manufacturer through the negotiated agreements that CVS Caremark has with each of them, and are confidential with respect to anyone else.

4. Please explain your process for making PBM-based formulary placement decisions for insulin products, including specifically answering the following questions:

- a. Please provide the names of the departments, divisions and key employees involved in formulary placement decisions. Who has final approval of formulary decisions, and how are these decisions communicated to plans, manufacturers and other entities within the insulin supply chain?**

Please see our prior response to question 4(a) in our April 26, 2019 letter.

Key employees in the Trade Relations group involved in forming recommendations to the CVS Caremark Formulary Review Committee (FRC) regarding formulary placement decisions for CVS Caremark's template formularies with respect to insulin drugs are:

- Gary Loeber (Senior Vice President, Trade Relations)

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- Patti Doruff (Vice President, Trade Relations)
- Joe Stahl (Vice President, Trade Relations)
- Kevin Wessels (Senior Director, Trade Relations)

Current voting members of the FRC are:

- Aydin Sekili (Commercial Trade Relations; FRC Chair)
- Ken Bodmer, Arnie Khan, Mark Walker (Finance)
- Donna Rosen, Susan Colucci (Clinical Services)
- Mindy Messina, Andrea Kravits, Alvah Stahlnecker (Sales)
- Josh Fredell, Kelvin Richards, Audrey Moyna (Product)
- Patti Doruff, Keith Pearson (Med D Trade Relations)

Other voting members of the FRC during the relevant time period were:

- Domenico Gugliuzza (formerly Vice President, Industry Analysis and FRC Chair)
- Jack Kirby (Finance)
- Doreen Weber (Clinical Services)
- Rob O'Brien (Sales)

- b. (Partial) **Please provide all names, positions and professional qualifications of P&T Committee members since January 1, 2013. If the company contracted, employed or otherwise consulted with any specialists or experts in regards to insulin placements, please provide their names as well as a description of the work they did and contributions they made in regard to such decisions. Please provide the minutes for any P&T Committee meeting since January 1, 2013 that included a discussion of any insulin products. Please also provide all recommendations, memoranda, reports or other communications the P&T Committee produced regarding insulin, whether for internal consideration or for clients.**

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Since January 1, 2013, Lora Armstrong (Vice President, Clinical Affairs) has served as a non-voting member of the P&T Committee, and is the liaison between CVS Caremark and the regular voting membership of the P&T Committee. Troyen Brennan (Executive Vice President, Chief Health Officer) serves as a non-voting consultant to the P&T Committee.

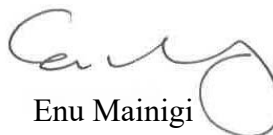
The regular voting membership of the P&T Committee is composed of 22 independent health care professionals from across the United States, none of whom are employed by CVS Caremark. This group of external experts includes 18 physicians and four pharmacists, all of whom have broad clinical backgrounds and/or academic expertise regarding prescription drugs. The four pharmacists include one academic pharmacist, one hospital pharmacist, and two geriatric pharmacists. The 18 physicians represent the following specialties: allergy, cardiology, clinical pharmacology, endocrinology, family practice, gastroenterology, gerontology, hematology/oncology, internal medicine, infectious disease, pediatrics, neurology, medical ethics, pharmacoeconomics, pharmacology, psychiatry-adult/pediatric/adolescent, and rheumatology. Please see Appendix B to this letter for the positions and professional qualifications of each of the 22 regular voting members of the P&T Committee.

Preserving the anonymity of these independent experts is vital to ensuring the integrity and independence of the P&T Committee, and we therefore cannot disclose their personal identities. As previously noted in our April 26, 2019 letter, the P&T Committee does not make financial decisions. The P&T Committee makes decisions from a purely clinical perspective; it does not have access to nor does it consider any information on rebates, negotiated discounts, or net costs.

Along with this letter, we are producing P&T Committee and Formulary Review Committee meeting minutes and materials regarding insulin products from January 1, 2014 to February 2, 2017. We will send details regarding how you can access this production under separate cover. We are currently identifying similar materials for the 2013 and 2017–2018 time periods, and will include those materials in a future production.

As noted above, we will continue providing the Committee with information on a rolling basis. In the meantime, please do not hesitate to contact me with any questions.

Sincerely,



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WILLIAMS & CONNOLLY LLP

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CC: Joshua Flynn-Brown
Peter Gartrell

(1) Medicaid programs or Medicaid managed care plans							
CLIENT NAME	YEAR	Number of Claims	Number of Insulin Claims	Percent of Insulin Claims	Number of Eligible Members	Number of Members with Insulin Claims	Percent of Members with Insulin Claim
AMERIGROUP	2013						
MOLINA HEALTHCARE	2013						
CARESOURCE INC.	2013						
FIDELIS CARE NEW YORK	2013						
HEALTHFIRST	2013						
MOLINA HEALTHCARE	2014						
AMERIGROUP	2014						
CARESOURCE INC.	2014						
FIDELIS CARE NEW YORK	2014						
HEALTHFIRST	2014						
MOLINA HEALTHCARE	2015						
CARESOURCE INC.	2015						
FIDELIS CARE NEW YORK	2015						
HEALTHFIRST	2015						
AETNA - ACE	2015						
MOLINA HEALTHCARE	2016						
CARESOURCE INC.	2016						
WELLCARE	2016						
AETNA - ACE	2016						
FIDELIS CARE NEW YORK	2016						
HEALTH NET	2017						
MOLINA HEALTHCARE	2017						
CARESOURCE INC.	2017						
AETNA - ACE	2017						
WELLCARE	2017						
HEALTH NET	2018						
MOLINA HEALTHCARE	2018						
CARESOURCE INC.	2018						
WELLCARE	2018						
AETNA - ACE	2018						
AGGREGATED:		972,726,651	8,971,329	0.9%			1.8%

(2) Medicare Advantage							
CLIENT NAME	YEAR	Number of Claims	Number of Insulin Claims	Percent of Insulin Claims	Number of Eligible Members	Number of Members with Insulin Claims	Percent of Members with Insulin Claim
AETNA - ACE	2013						
HEALTHFIRST	2013						
WINDSOR HEALTH PLAN, INC.	2013						
TUFTS HEALTH PLAN	2013						
PEOPLES HEALTH	2013						
AETNA - ACE	2014						
HEALTHFIRST	2014						
TUFTS HEALTH PLAN	2014						
MOLINA HEALTHCARE	2014						
AMERIGROUP	2014						
AETNA - ACE	2015						
HEALTHFIRST	2015						
MOLINA HEALTHCARE	2015						
TUFTS HEALTH PLAN	2015						
WELLCARE	2015						
AETNA - ACE	2016						
WELLCARE	2016						
HEALTHFIRST	2016						
MOLINA HEALTHCARE	2016						
TUFTS HEALTH PLAN	2016						
AETNA - ACE	2017						
WELLCARE	2017						
HEALTHFIRST	2017						
HEALTH NET	2017						
MOLINA HEALTHCARE	2017						
AETNA - ACE	2018						
WELLCARE	2018						
HEALTH NET	2018						
HEALTHFIRST	2018						
MOLINA HEALTHCARE	2018						
AGGREGATED:		447,436,677	4,960,506	1.1%			9.0%

(3) Medicare Part D							
CLIENT NAME	YEAR	Number of Claims	Number of Insulin Claims	Percent of Insulin Claims	Number of Eligible Members	Number of Members with Insulin Claims	Percent of Members with Insulin Claim
AT&T, INC.	2013						
GENERAL ELECTRIC	2013						
SILVERSCRIPT INSURANCE	2014						
AETNA - ACE	2014						
STATE OF NEW YORK	2014						
AT&T, INC.	2014						
WINDSOR HEALTH PLAN, INC.	2014						
SILVERSCRIPT INSURANCE	2015						
AETNA - ACE	2015						
CLEARSTONE SOLUTIONS	2015						
STATE OF NEW YORK	2015						
NEW ENGLAND JOINT ENTERPRISE	2015						
SILVERSCRIPT INSURANCE	2016						
AETNA - ACE	2016						
WELLCARE	2016						
CLEARSTONE SOLUTIONS	2016						
STATE OF NEW YORK	2016						
SILVERSCRIPT INSURANCE	2017						
AETNA - ACE	2017						
WELLCARE	2017						
CLEARSTONE SOLUTIONS	2017						
STATE OF NEW YORK	2017						
SILVERSCRIPT INSURANCE	2018						
AETNA - ACE	2018						
WELLCARE	2018						
CLEARSTONE SOLUTIONS	2018						
STATE OF NEW YORK	2018						
AGGREGATED:		1,999,856,696	25,122,388	1.3%			9.2%

(4) Qualified Health Plans under the Affordable Care Act							
CLIENT NAME	YEAR	Number of Claims	Number of Insulin Claims	Percent of Insulin Claims	Number of Eligible Members	Number of Members with Insulin Claims	Percent of Members with Insulin Claim
BLUE CROSS OF IDAHO	2013						
CAREFIRST BCBS	2014						
BLUE CROSS OF IDAHO	2014						
AETNA - ACE	2014						
BLUE CROSS AND BLUE SHIELD OF SC	2014						
TUFTS HEALTH PLAN	2014						
CAREFIRST BCBS	2015						
BLUE CROSS AND BLUE SHIELD OF ARKANSAS	2015						
CAPITAL DISTRICT PHYSICIANS HP	2015						
BLUE CROSS AND BLUE SHIELD OF SC	2015						
MOLINA HEALTHCARE	2015						
MOLINA HEALTHCARE	2016						
CAREFIRST BCBS	2016						
BLUE CROSS AND BLUE SHIELD OF ARKANSAS	2016						
BLUE CROSS AND BLUE SHIELD OF SC	2016						
AETNA - ACE	2016						
HEALTH NET	2017						
MOLINA HEALTHCARE	2017						
CAREFIRST BCBS	2017						
BLUE CROSS AND BLUE SHIELD OF SC	2017						
BLUE CROSS AND BLUE SHIELD OF ARKANSAS	2017						
HEALTH NET	2018						
MOLINA HEALTHCARE	2018						
CAREFIRST BCBS	2018						
BLUE CROSS AND BLUE SHIELD OF SC	2018						
CARESOURCE INC.	2018						
AGGREGATED:		196,320,829	1,297,670	0.7%			2.4%

(5) Commercial plans							
CLIENT NAME	YEAR	Number of Claims	Number of Insulin Claims	Percent of Insulin Claims	Number of Eligible Members	Number of Members with Insulin Claims	Percent of Members with Insulin Claim
FEP	2013						
CORETRUST PURCHASING GROUP	2013						
BLUE CROSS AND BLUE SHIELD OF SC	2013						
MERCER MNCP	2013						
AON HEWITT RX COALITION (AHRC)	2013						
FEP	2014						
CORETRUST PURCHASING GROUP	2014						
BLUE CROSS AND BLUE SHIELD OF SC	2014						
CAREFIRST BCBS	2014						
STATE OF NEW YORK	2014						
FEP	2015						
CORETRUST PURCHASING GROUP	2015						
WILLIS TOWERS WATSON RX	2015						
BLUE CROSS AND BLUE SHIELD OF SC	2015						
STATE OF NEW YORK	2015						
FEP	2016						
CORETRUST PURCHASING GROUP	2016						
WILLIS TOWERS WATSON RX	2016						
WELLMARK	2016						
AON HEWITT RX COALITION (AHRC)	2016						
FEP	2017						
CORETRUST PURCHASING GROUP	2017						
WILLIS TOWERS WATSON RX	2017						
AON HEWITT RX COALITION (AHRC)	2017						
WELLMARK	2017						
FEP	2018						
CORETRUST PURCHASING GROUP	2018						
WILLIS TOWERS WATSON RX	2018						
AON HEWITT RX COALITION (AHRC)	2018						
WELLMARK	2018						
AGGREGATED:		987,384,533	7,582,877	0.8%			2.2%

**NATIONAL PHARMACY AND THERAPEUTICS COMMITTEE****PARTICIPANTS**

Non-Voting Regular Members: Caremark Employees**Chair/Secretary**

Lora Armstrong, PharmD, BCPS
Vice President, Medical Affairs
CVS Health
Pharmacist - Doctor of Pharmacy
Board Certification in Pharmacotherapy
Licensure: Pharmacist Illinois

Consultant

Troyen Brennan, MD
Executive Vice President, Chief Health Officer
CVS Health
Medical Doctor
Board Certification in Internal Medicine, ABMS
Licensures: Physician (MD/DO) Massachusetts
Licensure: Physician (MD/DO) Connecticut

Voting Regular Members**Academia**

Pharmacist – Doctor of Pharmacy
Dean and Professor Emeritus, College of Pharmacy
Licensure: Pharmacist California

Allergy

Medical Doctor
Community Practice Allergy Practice
Board Certification in Allergy & Immunology, ABMS
Licensure: Physician (MD/DO) Illinois

Cardiology

Medical Doctor, FACC, FCAI
Clinical Director, Cardiovascular Medicine

Academic Medical Center
Associate Professor, Medical School
Board Certification in Internal Medicine, ABMS
Board Certification in Cardiovascular Disease, ABMS
Licensure: Physician (MD/DO) Massachusetts

Voting Regular Members (continued)

Clinical Pharmacy	Pharmacist – Doctor of Pharmacy, MBA Director of Pharmacy Services Community Medical Center Licensure: Pharmacist Massachusetts Licensure: Pharmacist Connecticut
Endocrinology	Medical Doctor, PhD Department of Medicine, Endocrinology, Diabetes, and Metabolism Academic Medical Center Board Certification in Internal Medicine, ABMS Board Certification in Endocrinology, Diabetes and Metabolism, ABMS Licensure: Physician (MD/DO) Illinois
Family Practice	Medical Doctor Assistant Professor of Family Practice College of Medicine Academic Medical Center Board Certification in Family Medicine, ABMS Licensure: Physician (MD/DO) Arizona
Gastroenterology	Medical Doctor, FACP, FACG Associate Chief, Department of Gastroenterology University Medical Center Board Certification in Internal Medicine, ABMS Board Certification in Gastroenterology, ABMS Licensure: Physician (MD/DO) Illinois
Gerontology	Pharmacist – Doctor of Pharmacy, CGP, FASCP, FNAP Academic Medical Center Clinical Professor, School of Pharmacy Board Certification in Geriatrics, NCCA Licensure: Pharmacist Connecticut
Gerontology	Medical Doctor, FACP Professor of Medicine and Neurology Division Head, General Internal Medicine and Geriatrics University School of Medicine Scientist, Aging and Research Palliative Care Leader, Health Physicians Board Certification in Internal Medicine, ABMS Board Certification in Geriatric Medicine, ABMS Licensure: (MD/DO) Indiana

Voting Regular Members (continued)

Gerontology	Pharmacist – Doctor of Pharmacy, BCPS, CGP, FASHP Professor of Pharmacy Chair, Geriatric Pharmacy College of Pharmacy Board Certification in General Practice, NCCA Licensure: Pharmacist Oklahoma Licensure: Pharmacist Missouri
Gerontology	Medical Doctor Associate Professor University Medical School Board Certification in Internal Medicine, ABMS Board Certification in Geriatric Medicine, ABMS Board Certification in Hospice and Palliative Medicine, ABMS Licensure: Physician (MD/DO) Massachusetts
Hematology/Oncology	Medical Doctor Division Head, Adult Blood and Marrow Transplant Program Community Medical Center Board Certification in Internal Medicine, ABMS Board Certification in Oncology, ABMS Licensure: Physician (MD/DO) Illinois Licensure: Physician (MD/DO) Michigan
Internal Medicine	Medical Doctor Division Head, Internal Medicine Community Medical Center Professor of Medicine, University School of Medicine Board Certification in Internal Medicine, ABMS Licensure: Physician (MD/DO) District of Columbia
Infectious Disease	Medical Doctor Professor of Medicine University School of Medicine Board Certification in Internal Medicine, ABMS Board Certification in Infectious Disease, ABMS Licensure: Physician (MD/DO) Illinois
Medical Ethicist	Medical Doctor Center on Aging Associate Professor, Hospital Medicine University School of Medicine Board Certification in Internal Medicine, ABMS Board Certification in Hospice and Palliative Medicine, ABMS Licensure: Physician (MD/DO) Illinois

Voting Regular Members (continued)**Neurology**

Medical Doctor
Multiple Sclerosis Center, Academic Medical Center
Board Certification in Neurology, ABMS
Licensure: Physician (MD/DO) Massachusetts

Pediatrics

Medical Doctor, MS
Assistant Professor, Pediatric Infectious Diseases
University Medical Center
Board Certification in Pediatrics, ABMS
Board Certification in Pediatric Infectious Diseases, ABMS
Licensure: Physician (MD/DO) Illinois
Licensure: Physician (MD/DO) Indiana

Pediatrics

Medical Doctor
Division Head, Pediatric Infectious Diseases
Community Medical Center Children's Hospital
Board Certification in Pediatrics, ABMS
Board Certification in Pediatric Infectious Diseases, ABMS
Licensure: Physician (MD/DO) Illinois

Psychiatry

Medical Doctor
Professor, Child & Adolescent Psychiatry
Division Head, Autism Spectrum Disorders &
Neurodevelopmental Disorders
Board Certification in Psychiatry, ABMS
Board Certification in Child & Adolescent Psychiatry, ABMS
Licensure: Physician (MD/DO) California
Licensure: Physician (MD/DO) Florida
Licensure: Physician (MD/DO) New York
Licensure: Physician (MD/DO) North Carolina

Pharmacoeconomics

Medical Doctor, PhD
Associate Professor, Department of Medicine; Department of
Economics
University Medical Center
Board Certification in Internal Medicine, ABMS
Licensure: Physician (MD/DO) Illinois

Voting Regular Members (continued)**Pharmacology**

Medical Doctor
Emeritus Dean, University School of Medicine
Board Certification in Internal Medicine, ABMS
Board Certification in Clinical Pharmacology, ABCP
Licensure: Physician (MD/DO) Indiana

Rheumatology

Medical Doctor
Division Head, Rheumatology/Immunology/Allergy
Academic Medical Center
Board Certification in Internal Medicine, ABMS
Board Certification in Rheumatology, ABMS
Licensure: Physician (MD/DO) Massachusetts

REBATE AGREEMENT

THIS REBATE AGREEMENT ("Agreement") is made and entered into as of the 1st day of July, 2013 ("Effective Date"), by and between CAREMARKPCS HEALTH, L.L.C., a Delaware limited liability company with offices at 2211 Sanders Road, Northbrook, IL 60062 ("PBM"), and Sanofi-Aventis U.S. LLC, a Delaware limited liability company with offices at 55 Corporate Drive, Bridgewater, New Jersey 08807 on its own behalf and on behalf of its Affiliate Genzyme Corporation ("Manufacturer").

Background

WHEREAS, Manufacturer markets, sells and/or distributes certain pharmaceutical products to wholesalers, pharmacies and other entities that resell and/or use such Products. PBM provides a variety of prescription benefit and formulary management services to Plans (as defined below). This Agreement sets forth the terms and conditions under which Manufacturer shall provide rebates and administrative fees in connection with the utilization of Manufacturer's pharmaceutical products.

WHEREAS, Manufacturer has the authority to offer discounts on, and enter rebate agreements for, certain products of its Affiliate Genzyme Corporation.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, including in the clauses above, the parties hereto, each intending to be legally bound hereby, agree as follows:

1. **DEFINITIONS.** In addition to terms defined elsewhere herein, the following terms shall have the meanings set forth below:

"Administrative Fees" means the Administrative Fees set forth in Exhibit C and paid to PBM in its capacity as a group purchasing organization for the Plans.

"Affiliate" means, with respect to a party, any corporation, partnership or other legal entity directly or indirectly owned or controlled by, or which owns or controls, or which is under common ownership or control with, such party.

"Client" means an entity with which PBM has contracted to provide prescription benefit services and/or Formulary Services to a Plan.

"Closed Plan" means a Plan that, with respect to the Product's Competitive Category, provides reimbursement only for those branded, single source prescription products that qualify as Closed Plan Reimbursable Products, subject to medical necessity exceptions and any exceptions required by law, even if reimbursement is not restricted for all Competitive Categories.

"Closed Plan Reimbursable Product" means a pharmaceutical product that is: (i) listed on the formulary or drug list adopted by the Plan, including any prescribing guide or other broad formulary that may supplement a preferred drug list; and (ii) eligible for reimbursement under the Plan.

"Competitive Categories" shall have the meaning set forth on Exhibit C.

"Competitive Product" means, with respect to a Product, each single source, branded, prescription product in the Product's Competitive Category listed in Exhibit C that is not manufactured, distributed or rebated by Manufacturer.

“Contract Year” means the twelve-month period commencing on the Effective Date and each subsequent twelve-month period.

“Cost Share Differential” means the dollar difference in Member cost share between different tiers of a Plan at mail or retail, such as the dollar difference in Member cost share between Preferred Brand Tier and Non-Preferred Branded Tiers in a multi-tier plan.

“Discount Card Plan” means a plan that arranges for point of sale pharmacy discounts for its Members, but does not provide reimbursement to the Member or to the Participating Pharmacy for the cost of the pharmacy product or service.

“Eligible Utilization” means Units of Product dispensed by Participating Pharmacies to Members that: (i) satisfy the applicable conditions to Rebates set forth in this Agreement and in Exhibit C, and (ii) [REDACTED]

“Exchange” means a governmental agency or non-profit entity that meets the applicable standards of 45 C.F.R. Part 155 and makes Qualified Health Plans available to qualified individuals and qualified employers. This term shall include State Exchanges, regional Exchanges, subsidiary Exchanges, and a Federally-facilitated Exchange.

“Formulary Services” means formulary recommendation and management, data submission, pharmaceutical manufacturer contracting, and/or other related administrative services.

“Government Program” means Medicare, Medicaid or another Federal healthcare program as defined in Section 1128B(f) of the Social Security Act, 42 U.S.C. § 1320a-7b(f), or any successor thereto.

“Highly Managed Plan” means a Plan that has adopted a Plan Formulary that is intended to guide the prescribing and dispensing of pharmaceutical products and is supported by clinical programs or formulary management programs performed by or under the direction of PBM on behalf of the Plan and without involvement by Manufacturer and employs a three or more tier plan design for the drug benefit with a Cost Share Differential of at least \$15 between the Preferred Brand Tier and Non-Preferred Branded Tiers.

“Managed Medicaid Plan” means a Plan that is operating pursuant to a risk contract under § 1903(m) or § 1876(g) of the Social Security Act.

“Managed Plan – 2T” means a Plan that has adopted a Plan Formulary that is intended to guide the prescribing and dispensing of pharmaceutical products and is supported by clinical programs or formulary management programs performed by or under the direction of PBM on behalf of the Plan and without involvement by Manufacturer and employs a single tier or two tier plan design.

“Managed Plan – 3T” means a Plan that has adopted a Plan Formulary that is intended to guide the prescribing and dispensing of pharmaceutical products and is supported by clinical programs or formulary management programs performed by or under the direction of PBM on behalf of the Plan and without involvement by Manufacturer and employs a three or more tier plan design with a Cost Share Differential of less than \$15 between the Preferred Brand Tier and Non-Preferred Branded Tiers.

"Manufacturer Payment Terms" means the terms for the payment for Rebates and Administrative Fees as set forth in Exhibit C.

"Member" means a person who is enrolled in or covered by a Plan who is entitled to receive prescription drug benefits from such Plan.

"P&T Committee" means PBM's Pharmacy and Therapeutics Committee.

"Participating Pharmacy" means those pharmacies, licensed and located in the United States that have a valid National Provider Identifier (NPI) number, adjudicate claims on-line in accordance with current National Council for Prescription Drug Programs (NCPDP) standards for on-line adjudication and have agreed to fill prescriptions for Members. This definition shall include the online internet based presence of a Participating Pharmacy.

"Plan" means any group or individual plan, policy, agreement or other arrangement that includes pharmacy services or benefits for which PBM provides prescription benefit services or Formulary Services. "Plan" includes, without limitation, a Qualified Health Plan, a Managed Medicaid Plan, a "Qualified retiree prescription drug plan" (or, "QRPDP") as such term is used under Medicare Part D and as specifically defined at 42 C.F.R. § 423.882, pharmacy benefit plans sponsored by health maintenance organizations, preferred provider organizations, managed care organizations, insurers, consumer driven health programs, self-funded employers and others regardless of whether or the extent to which the Plan provides indemnification of the cost of the pharmaceuticals dispensed to Members or requires financial participation by Members in the form of copayments, co-insurance, deductibles, full payment at point of dispensing or otherwise. Discount Card Plans qualify as Plans unless otherwise indicated on Exhibit C. A Client or Plan Sponsor may issue, sponsor or administer one or more Plans, and each such Plan shall be treated separately under this Agreement for purposes of determining the payment of, and eligibility for, Rebates and Administrative Fees. Except as otherwise set forth in this Agreement and its Exhibits, no Rebates or Administrative Fees shall be payable by Manufacturer for any Products for which PBM, a Plan, a Member or any other third party seeks or receives reimbursement, in whole or in part, from a Government Program.

"Plan Formulary" means the formulary or drug list adopted by the Plan. If the Plan has adopted a preferred drug list and has supplemented the preferred drug list with a prescribing guide or other broad formulary: (i) if the Product's Competitive Category is included on the preferred drug list, the preferred drug list shall be considered the Plan Formulary, and (ii) if the Product's Competitive Category is not included on the preferred drug list, the prescribing guide or other broad formulary shall be considered the Plan Formulary. The Plan Formulary as reflected in PBM's system and/or records at the time the applicable Product was dispensed to the Member for each Plan shall serve as the governing Plan Formulary for such Plan for purposes of this Agreement.

"Plan Sponsor" means the entity that is responsible for development and implementation of a Plan.

"Products" means the pharmaceutical products or supplies listed in Exhibit C.

"Qualified Health Plan" means a health plan that has in effect a certification issued or recognized by an Exchange pursuant to 45 C.F.R. Part 155, Subpart K that it meets the requirements of section 1331 of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, and 45 C.F.R. Part

156, Subpart C. It excludes a Medicaid state plan or waiver including, but not limited to, Medicaid managed care or a plan described under section 1937 of the Social Security Act (42 U.S.C. § 1396u-7)).

“Quarter” means any three-month period beginning on January 1, April 1, July 1, or October 1 of any given Rebate Contract Year during the term of this Agreement.

“Rebates” means the rebates set forth on Exhibit C.

“Unit” means a single unit (whether a milligram, pill, milliliter, or other measurement), provided that single use items shall be measured per use (i.e. one use equals one unit).

“United States” means the United States of America, including all fifty (50) states and the District of Columbia.

“Wholesale Acquisition Cost” or “WAC” means the wholesale acquisition cost for a Product as determined by Manufacturer and, for purposes of this Agreement only, in effect as of the [REDACTED] of the applicable Quarter.

2. PLANS.

(a) Quarterly Reports. Each Quarter, PBM shall provide to Manufacturer, in electronic format, a listing of Clients, and the number of Members for each.

(b) No Duplication of Plan. In the event that Manufacturer believes that it has a pre-existing agreement with a Plan, Plan Sponsor, Client or another entity acting on behalf of such Plan to provide Rebates to such Plan, Manufacturer will give PBM written notice of such perceived duplication within sixty (60) days after the first report under Section 2(a) received by Manufacturer which includes such Plan. PBM and Manufacturer agree to cooperate promptly to confirm the existence of any apparent duplication. If it is confirmed that Manufacturer has identified a duplication of a Plan with another contracting entity (i.e., Plan that is included under another Manufacturer agreement), PBM and Manufacturer agree to discuss and attempt to agree upon a mutually acceptable, equitable resolution of such duplication giving due consideration to the source of the Plan Formulary. [REDACTED]

Manufacturer understands that timely notification of such perceived duplication is essential to an equitable resolution of the matter and agrees that in the event of any failure by Manufacturer to notify PBM of a perceived duplication within the time set forth in this Section, Manufacturer shall have no right to dispute its obligation to pay Rebates or Administrative Fees with respect to the Plan.

3. REBATES & ADMINISTRATIVE FEES.

(a) Rebates. Manufacturer shall pay to PBM the Rebates for each Product dispensed to Members as set forth in and in accordance with Exhibit C.

(b) Administrative Fees. Manufacturer shall pay Administrative Fees to PBM for performing administrative activities related to this Agreement, as described below. Administrative Fees are completely separate and apart from the Rebates.

(c) Administrative Services. In consideration of the Administrative Fees, PBM will: (i) negotiate and contract with Clients for participation in the Rebates provided under this Agreement; (ii) notify Clients of the applicable requirements for receiving Rebates on Products in accordance with PBM’s standard business

practices; (iii) monitor Plan compliance with the Rebate eligibility requirements; (iv) calculate the amount of Rebates applicable to Products for each Plan and invoice Manufacturer for such Rebates; (v) prepare detailed reports on Product utilization and Rebate calculations as described herein; (vi) allocate and distribute Rebates to Plans under the terms of its agreements with Clients and provide supporting reports; (vii) utilize internal control measures to protect against payment of unearned Rebates; and (viii) provide such other services related to the administration of the Rebate program as agreed upon by the parties from time to time. The Administrative Fee is payable to PBM for the performance of services rendered on behalf of Manufacturer, which services Manufacturer would otherwise be required to perform (or contract for) in the absence of this Agreement. To the extent an Administrative Fee is remitted by PBM to a Plan ("Remitted Fee"), PBM will direct the Plan to report such Remitted Fee as a price concession in accordance with the Discount Safe Harbor.

(d) Utilization Reports.

(i) Reporting. Within ninety (90) days after the end of each Quarter, PBM shall submit to Manufacturer an invoice setting forth the calculation of the Rebates and Administrative Fees, payable by Manufacturer to PBM for such Quarter and, to the extent not previously submitted, the preceding Quarter. The invoice shall be accompanied by the following reports, which shall be transmitted by paper or electronic data utilizing the National Council for Prescription Drug Programs ("NCPDP") manufacturer rebate utilization flat file standard (to include all NCPDP fields that are mandatory as of the effective date and any new mandatory NCPDP fields thereafter and such other NCPDP fields as PBM may elect to include in its sole discretion), PBM's standard reporting format, or as otherwise mutually agreed upon by Manufacturer and PBM, for such Quarter and, to the extent not previously submitted, the one (1) preceding calendar Quarter ("Utilization Reports"). Utilization Reports shall include:

- (A) Invoice Summary by NDC Report
- (B) Invoice Summary by Client-NDC Report
- (C) Detail Claim File

The information provided will be the minimum necessary to accomplish the intended purpose of this Agreement.

Utilization Reports shall be sent to:

sanofi-aventis U.S. LLC
Attn: Contract Operations
Mail Code 55B-205A
55 Corporate Drives
Bridgewater, NJ 08807

(ii) Notice of Corrupt File & Deficiencies. Manufacturer must notify PBM in writing within twenty (20) business days following Manufacturer's receipt of the Utilization Reports if

Manufacturer believes the data submitted in the Utilization Reports is either missing material components of the required data elements for all or any of the Product utilization reported or is not capable of being processed by Manufacturer due to the data files, when delivered, being corrupt, damaged, or otherwise not readable ("File Deficiency Notice"). In the event Manufacturer timely delivers the File Deficiency Notice to PBM in accordance with this Section, Manufacturer shall, nevertheless, remit payment, when due in accordance with the Manufacturer Payment Terms, for such Utilization Report(s), or portion thereof, which are capable of being processed by Manufacturer or which are not missing material components of the required data elements.

(iii) Calculations. Calculations for Rebates and Administrative Fees will be performed with five decimal places of precision and summarized to two decimal places of precision for submission by PBM. Rebate and Administrative Fee calculations for a claim shall be based upon the WAC in effect on the [REDACTED] for the Quarter in which the claim was dispensed by the Participating Pharmacy.

(e) Manufacturer Payment. Manufacturer will make payment of Rebates and Administrative Fees to PBM in accordance with the Manufacturer Payment Terms in Exhibit C.

(f) Payment Disputes. If Manufacturer in good faith believes that some portion of the amount invoiced was in error, Manufacturer will pay Rebates and Administrative Fees on all validated data and will notify PBM in writing of its dispute within sixty (60) days of receipt of the applicable Utilization Reports, specifying in reasonable detail the nature of the dispute, and identify the portion of the invoice disputed, using the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively a Disputed Claim Report in the format set forth in Exhibit B, to enable PBM to attribute the disputed funds to the appropriate Plan. Within sixty (60) days of receiving notification of dispute in accordance with this Section, PBM shall provide a written response to Manufacturer. In the event PBM validates any such disputed utilization to Manufacturer's satisfaction, Manufacturer agrees to pay the disputed amounts in a mutually agreed upon timeline. The parties shall cooperate in good faith to correct any errors found with respect to Manufacturer's dispute calculations and make appropriate adjustments to future billings in accordance with any such corrections. With respect to any dispute arising under this Agreement and specifically concerning whether or not a Product was or is on a Plan Formulary, such determination shall be based upon the Plan Formulary as reflected in PBM's system and/or records at the time the applicable Product was dispensed to the Member.

(g) Manufacturer Change in Control. In the event there is a "Manufacturer Change in Control" (as defined below), Manufacturer shall notify PBM in writing promptly thereafter. For purposes of this Section, a "Manufacturer Change in Control" means: (i) an event whereby any unaffiliated third party shall become the "beneficial owner" (as defined in Rule 13d-3 under the Securities and Exchange Act of 1934), directly or indirectly, of fifty percent (50%) or more of the securities of Manufacturer; (ii) any sale, lease, exchange or other transfer to an unaffiliated third party (in one transaction or a series of related transactions) of fifty percent (50%) or more of the assets of Manufacturer (other than sales in the ordinary course of business); or (iii) any merger or consolidation with an unaffiliated third party to which Manufacturer is a party except for a merger in which Manufacturer is the surviving entity. For the avoidance of doubt, the term "Manufacturer" as used in this provision refers to sanofi-aventis U.S. LLC only and does not include or refer to any of sanofi-aventis U.S. LLC's Affiliates.

(h) Product Discontinuation. Should Manufacturer discontinue the manufacturing or distribution of a Product or a Product NDC in the United States ("Discontinued Product"), other than a discontinuation resulting from a sale, transfer or assignment of a Product or Product NDC, then Manufacturer shall provide prompt notice thereof to PBM and Manufacturer shall continue to pay Rebates and Administrative Fees on Eligible Utilization of such Discontinued Product for the remaining term of this Agreement, provided

Manufacturer shall be released from its obligation to pay Rebates and Administrative Fees hereunder on the date one (1) year after the expiration date of the last lot of such Discontinued Product sold by Manufacturer.

(i) Product Transfer. If Manufacturer or its Affiliate Genzyme Corporation discontinues the manufacturing, distribution or marketing of a Product or a Product NDC in the United States as a result of a divestment of all or part of its rights, including without limitation, by sale, transfer, assignment or other means, whether by operation of law or otherwise, of a Product or Product NDC ("Transferred Product") to an unaffiliated third party ("Transferee"), then Manufacturer shall provide prompt notice thereof to PBM and Manufacturer shall continue to pay Rebates and Administrative Fees on utilization of such Transferred Product until [REDACTED]. Manufacturer shall assign all rights and delegate all obligations under this Agreement as it relates to the Transferred Product to the Transferee effective as of the effective date of the divestiture and shall obtain Transferee's written agreement that it will be bound by the terms and conditions of this Agreement, including the obligation to pay the Rebates and Administrative Fees as set forth herein. Notwithstanding anything in this Agreement to the contrary, Manufacturer shall not be obligated to get PBM's consent for such assignment or delegation. Upon such assignment and delegation by Manufacturer and assumption by Transferee of all rights and obligations under this Agreement, Manufacturer shall be released from all rights, obligations and claims that PBM may have hereunder with respect to the Transferred Product.

(j) State to Plan Reconciliations. Notwithstanding anything in this Agreement to the contrary, PBM may furnish Utilization Reports to Manufacturer for claims paid by a Plan following a reconciliation undertaken by a Government Program to identify the appropriate primary payor for claims initially paid by such Government Program, and Utilization Reports submitted pursuant to this Section 3(h) shall be considered timely when submitted to Manufacturer. The parties agree that such claims may be submitted by PBM at any time within three (3) years of the date of dispense, provided such claims shall be processed by PBM within six (6) months of receipt.

(k) Rebate Eligibility. Manufacturer shall not pay Rebates and Administrative Fees on any Utilization Report for which eligibility requirements for Rebates and Administrative Fees under this Agreement are not otherwise met.

(l) Best Price. To the extent Manufacturer determines, in its reasonable judgment, that any Rebate otherwise payable pursuant to this Agreement would (1) establish a new Best Price, as defined by Section 1927 of the Social Security Act, for a Product NDC(s), or (2) trigger any statutory or regulatory obligation of Manufacturer to offer a similar price for the Product to any other party, the amount of such Rebate shall be adjusted to the minimum extent necessary such that a new Best Price will not be established with respect to such Product NDC(s); provided that no such adjustment to Rebates may be made retroactively more than two (2) Quarters prior to the Quarter in which the Best Price Notice is received. Manufacturer will notify PBM within fifteen (15) business days of such a determination ("Best Price Notice") and make adjustments in the next subsequent payment due under this Agreement; provided that the Best Price Notice shall be accompanied by appropriate documentation, reasonably satisfactory to PBM, as to Manufacturer's need and basis for making such an adjustment, including Manufacturer's written certification by a senior management official to PBM that Manufacturer's payment of Rebates under this Agreement would otherwise result in a new Best Price.

(m) Product Separation. Notwithstanding any other provisions of this Agreement, Manufacturer and PBM acknowledge and agree that, with respect to Rebates payable by Manufacturer to PBM pursuant to the terms of this Agreement, any single Product covered by this Agreement shall not be dependent upon the Formulary status, compliance with Rebate eligibility requirements, or Rebate payment of any other Product. Notwithstanding the foregoing, and solely for the purposes of this Agreement, all forms of Lantus shall together be considered a single Product (i.e. Lantus and Lantus SoloStar) and all forms of Apidra (i.e. Apidra and Apidra

SoloStar) shall together be considered a single Product. Notwithstanding anything in this Agreement to the contrary, the parties agree that Rebates for Commercial Plans (as defined in Exhibit C) and Rebates for Managed Medicaid Plans were determined separately and independently and are not contingent in any way.

(n) Distribution of Formulary. The PBM Prescribing Guide and PBM Drug List updates are available on PBM website at www.caremark.com which is maintained on a Quarterly basis. With respect to those Plans that adopt a Plan Formulary (i.e., a Plan Formulary for which the products included on the Plan Formulary in the relevant Competitive Category are different than those products included on the PBM Prescribing Guide and, if applicable, the PBM Drug List in the same Competitive Category), PBM shall provide Manufacturer a copy of the Plan's Formulary, which may be accomplished either through a website posting, through the provision of a written or electronic copy or through the provision of other verification reasonably acceptable to Manufacturer, that demonstrates its eligibility for Rebates. With respect to those Plans that adopt a template Plan Formulary (i.e., a Plan Formulary for which the products included on the Plan Formulary in the relevant Competitive Category are the same as those products included on the PBM Prescribing Guide and if applicable, the PBM Drug List, in the same Competitive Category), PBM shall provide Manufacturer a copy of the PBM Prescribing Guide and the PBM Drug List, which may be accomplished either through a website posting, through the provision of a written or electronic copy or through the provision of other verification reasonably acceptable to Manufacturer, that demonstrates its eligibility for Rebates. Additionally, PBM understands and agrees that Manufacturer shall have the right to print and distribute the most current version of PBM's Drug List, which is located at www.caremark.com website, to Manufacturer field representatives for the purpose of informing physicians regarding the Product status as set forth in the PBM Drug List that is current at the time of distribution.

(o) Change in Formulary. Nothing in this Agreement shall be construed to restrict or prohibit the PBM P&T Committee or the Plan's ability to remove any Product from the PBM Prescribing Guide, PBM Drug List or a Plan formulary at any time; provided, however, that Manufacturer shall have no obligation to pay Rebates on such Products if the conditions to Rebates set forth in Exhibit C are not fully satisfied, as determined on a Product by Product, Quarter by Quarter and Plan by Plan basis.

4. LEGAL COMPLIANCE, WARRANTIES & INDEMNITY.

(a) Safe Harbor. It is the intention of the parties that the Rebates paid pursuant to this Agreement qualify for safe harbor protection under the Federal Anti-Kickback Statute pursuant to the "Discount Safe Harbor," 42 C.F.R. 1001.952(h), and, where applicable, pursuant to the "Risk Contract Safe Harbor," 42 C.F.R. 1001.952(t). It is also the intention of the parties that the Administrative Fees paid pursuant to this Agreement qualify for safe harbor protection under the Federal Anti-Kickback Statute pursuant to the "GPO Safe Harbor," 42 C.F.R. 1001.952(j), and, where applicable, pursuant to the "Risk Contract Safe Harbor," 42 C.F.R. 1001.952(t). In accordance with the Risk Contract Safe Harbor, Manufacturer represents and warrants that Manufacturer shall not claim any payment in any form from a Government Program for any utilization for which Rebates are payable under this Agreement.

(b) PBM Warranties. PBM represents and warrants that: (i) PBM meets all ownership requirements and has all written agreements required under 42 CFR 1001.952(j)(2), (ii) PBM has or will make all disclosures, and submit all reports to Clients, third parties who are responsible for cost of products and to Government Programs regarding the existence of this agreement and the terms and amount of Rebates and Administrative Fees payable hereunder to the extent such disclosures are required by applicable federal or state laws or regulations or the retiree drug subsidy rules, including but not limited to applicable "safe harbor" regulations, or by contractual commitments undertaken by PBM; (iii) PBM has or will disclose to each Client that PBM receives rebates from pharmaceutical manufacturers; (iv) PBM will remit such rebates to Plan Sponsors, third parties who are responsible for costs of products and to Government Programs to the extent required by

applicable federal or state laws or regulations, including but not limited to applicable "safe harbor" regulations, or by contractual commitments undertaken by PBM; (v) to the best of PBM's knowledge, any Products for which PBM seeks Rebates shall have been dispensed only to Members of a Plan; (vi) PBM has entered into lawful agreements with Clients to provide formulary management services, pharmacy services (i.e. the dispensing of products to Participants), and/or other Formulary Services and PBM has been contractually granted the exclusive right to submit Product utilization of such Plans for Rebates and that such agreements with Clients meet the requirements of 42 C.F.R. 1001.952(j); (vii) PBM has entered into lawful agreements with Participating Pharmacies under which such pharmacies will comply with all applicable laws relating to the dispensing of the pharmaceutical products; (viii) PBM will not knowingly submit Claims Data for Products dispensed outside of the United States and or for Products re-imported into the United States; (ix) the offer of a Rebate hereunder has not affected and will not affect, the clinical decisions made by the P&T Committee concerning the safety and efficacy of any drug product or the clinical integrity of the formulary process; and (x) PBM shall comply with all applicable Federal and state laws and regulations, including without limitation federal and state anti-kickback, antitrust, and state consumer protection and disclosure laws, and HIPAA, in performing its obligations hereunder; and (xi) PBM will disclose to each Qualified Health Plan, Exchange, or CMS the amount of Rebates received under this Agreement in the form and manner and to the extent required under applicable law.

(c) Manufacturer Warranties. Manufacturer represents and warrants that the Products: (i) are free from defect in design, material and workmanship; (ii) are in compliance with applicable law and all regulatory requirements of the Food and Drug Administration ("FDA"), including those related to the adulteration or misbranding of products within the meaning of Sections 501 and 502 of the Food Drug and Cosmetics Act ("FDCA"); (iii) are not articles which may not be introduced into interstate commerce pursuant to the requirements of Sections 505, 514, 515, 516 or 520 of the FDCA; (iv) have been manufactured in accordance with current FDA Good Manufacturing Practices as required by 21 C.F.R. §§ 210 and 820; (v) are not infringing upon the patents or trademarks of any third party; and (vi) have been approved by the FDA pursuant to Section 505 of the FDCA. Manufacturer further represents and warrants that Manufacturer shall: (i) properly disclose and report the Rebates and Administrative Fees payable hereunder to Government Programs and to other third parties to the extent such disclosures are required by applicable law, regulation or contractual commitment; and (ii) accurately report "best price", average sales price ("ASP") and average manufacturer price ("AMP") in accordance with the Social Security Act and its implementing regulations. Manufacturer acknowledges and agrees that: (i) PBM has played no role in the setting or reporting of AWP, ASP, AMP or best price by Manufacturer, and (ii) PBM has not engaged in any conduct that would impair Manufacturer's ability to accurately report "best price," ASP, or AMP to CMS. Manufacturer further represents and warrants that Manufacturer shall comply with all applicable Federal and state laws and regulations in performing its obligations hereunder, including without limitation federal and state anti-kickback, antitrust and HIPAA in performing its obligations hereunder.

(d) Indemnification. PBM shall indemnify, defend and hold harmless Manufacturer and its Affiliates and their respective officers, directors, employees, agents and subcontractors (collectively, "Manufacturer Indemnitees") from any and all third party claims, demands, actions, causes of action, losses, judgments, liabilities, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and costs of settlement) (collectively, "Losses") that the Manufacturer Indemnitees, or any of them, may suffer as a result (i) of the negligence or willful misconduct of PBM; (ii) any breach by PBM of any of its representations, warranties, covenants or agreements contained in this Agreement; or (iii) failure to comply with subsection (h) Labeling below. Manufacturer shall indemnify, defend, and hold harmless PBM and its Affiliates and their respective officers, directors, employees, agents and subcontractors (collectively, "PBM Indemnitees") from any and all Losses that the PBM Indemnitees, or any of them, may suffer as a result of: (i) the death of, or bodily injury to, any Member on account of the use of any Manufacturer Product used in accordance with the package insert; (ii) any breach by Manufacturer of any of its representations, warranties,

covenants or agreements contained in this Agreement; (iii) any claim that a Manufacturer Product infringes on the patent or trademark of any third party; or (iv) the negligence or willful misconduct of Manufacturer.

(e) Product Recall. In the event of a recall, withdrawal or quarantine ("Product Recall") of a Product, Manufacturer shall give PBM prompt notice thereof. Manufacturer will reimburse reasonable and actual PBM's expenses for actions related to a Product Recall that are required of PBM by the FDA or requested by Manufacturer.

(f) Insurance. Manufacturer shall maintain in effect during the term of this Agreement a commercial general liability policy, including products liability coverage covering all Products. The policy shall be underwritten by an insurance company that carries an A- or better rating from A.M. Best. This insurance policy shall be in an amount not less than Five Million Dollars (\$5,000,000) per occurrence and in aggregate. The Manufacturer shall provide thirty (30) days notice to PBM in the event of any modifications, cancellation, or termination of the policy. Manufacturer shall provide PBM with a certificate of insurance within thirty (30) days of execution of this Agreement and thereafter upon request. The amount of such required insurance coverage under this Section shall not limit Manufacturer's obligations under this Agreement.

(g) Non-Solicitation. During the term of this Agreement, Manufacturer shall not, without PBM's prior written consent, knowingly enter into an agreement, directly or indirectly, with any Client, Plan or Plan Sponsor pursuant to which Manufacturer would pay rebates, extend discounts, or make other pricing concessions on outpatient prescription drugs.

(h) Labeling. PBM shall not send written materials or communications with Manufacturer's Product that are inconsistent with Manufacturer's FDA approved labeling.

(i) Debarment. PBM and Manufacturer each represents and certifies that neither it nor any person or entity employed or engaged by it, including without limitation its officers, directors, employees, or agents, who provide services in connection with this Agreement (collectively "Personnel") are currently: (i) excluded, debarred, suspended or otherwise ineligible to participate in federal health care programs as defined in 42 U.S.C. Sec. 1320a-7b or from federal procurement or nonprocurement activities as defined in Executive Order 12689 (collectively "Ineligible"); (ii) debarred pursuant to the Generic Drug Enforcement Act of 1992, 21 U.S.C. Sec. 335 (a), as amended, or any similar state law or regulation (collectively "Debarred"); or (iii) convicted of a criminal offense that falls within the ambit of 42 U.S.C. Sec 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible ("Convicted"). Each party represents and certifies that it will not utilize any Ineligible, Debarred, or Convicted Personnel to provide any services hereunder. If a party becomes Ineligible, Debarred or Convicted during the term of this Agreement, it will notify the other party promptly, and in any event no later than ten (10) business days after receiving notification of the Ineligibility, Debarment, or Conviction. Upon receipt of such notice, or if the other party becomes aware of any Ineligibility, Debarment, or Conviction, the other party shall have the right to terminate this Agreement immediately and shall retain all claims, causes of action, defenses and other rights that it may have in law or equity. If either party's Personnel becomes Ineligible, Debarred or Convicted during the term of this Agreement, such party will remove the Ineligible, Debarred, or Convicted Personnel from responsibility for, or involvement with, the services performed under this Agreement.

5. CONFIDENTIAL INFORMATION

(a) General. PBM and Manufacturer each shall maintain the confidentiality of any confidential and/or proprietary information of the other party, including, but not limited to, any confidential or proprietary pricing, marketing, business information, bids or product information; Client and Plan lists and information;

Utilization Reports; the terms of this Agreement; the existence of a dispute and any information generated pursuant to same and any other non-public information or documents provided by one party to the other hereunder (collectively, "Confidential Information"). Such Confidential Information shall not be disclosed to the receiving party's employees or representatives or to any third party, or used by or for the benefit of such party or any third party, directly or indirectly, except as may be necessary to carry out or enforce this Agreement; provided, the receiving party has agreed in writing to hold such documents in confidence prior to receipt of any such Confidential Information. Neither PBM nor Manufacturer shall use the name of the other party, including any tradename or trademark, in any advertising or promotional materials or in any communication without prior written consent of such other party; provided, however, that PBM may reference Manufacturer and the Products in product informational communications to Plans, Clients and Members. The foregoing notwithstanding, the restrictions of this Section shall not apply to information: (A) which is required to be disclosed by law or for purposes of resolving a dispute consistent with the dispute resolution process set forth herein; (B) which the receiving party can show was known to it prior to the disclosure by the disclosing party; (C) which is or becomes public knowledge through no fault of the receiving party; (D) which is lawfully disclosed to the receiving party by a third party; or (E) which a Plan, a Plan Sponsor or a Client or its agent or representative reviews in connection with an audit of its agreement with PBM and disclosure of the terms and conditions of this Agreement is reasonably necessary in such context; provided, the receiving party has agreed in writing to hold such documents in confidence prior to receipt of any such Confidential Information. The foregoing notwithstanding, PBM shall have the right, subject to the requirements set forth in the paragraph below, to: (i) disclose the terms of this Agreement to a Plan, a Plan Sponsor or a Client, or its agent or representative, in connection with the review of a Product's status on a Plan Formulary; provided, the receiving party has agreed in writing to hold such documents in confidence prior to receipt of any such Confidential Information and (ii) PBM or Plan may disclose, to a Plan or Exchange, the amount of Rebates paid or payable hereunder in accordance with the requirements applicable within this Agreement; provided that PBM and/or Plan takes all commercially reasonable actions available to it to preserve the confidentiality of such Confidential Information in accordance with applicable Law, including, without limitation, by expressly designating such information as confidential commercial information that is exempt from disclosure under the Freedom of Information Act ("FOIA"). PBM shall notify Manufacturer promptly upon becoming aware of any request for disclosure of Confidential Information under FOIA and cooperate with Manufacturer's efforts to prevent or limit such disclosure. The Confidential requirements survive the termination or expiration of this Agreement for a period of seven (7) years or longer if required by law.

(b) Return of Information upon Termination. Immediately upon the expiration or termination of this Agreement, PBM and Manufacturer, upon written request, shall exercise reasonable efforts to destroy or delete, with written certification of same, any and all copies of the other party's Confidential Information, whether in physical form or electronically stored; provided that one copy may be kept for archival purposes (subject to the confidentiality requirements of this Agreement).

(c) Use of Third Party for Rebate Validation Services. In the event Manufacturer desires to engage a third party to provide rebate validation, claim processing or other services relating to this Agreement, such third party must be mutually acceptable to the parties, where PBM's mutual acceptance will not be unreasonably withheld, and such third party shall enter into a confidentiality agreement with PBM (which shall be reasonably consistent with Section 5) prior to the disclosure by Manufacturer to such third party of any Utilization Reports or other Confidential Information.

6. MAINTENANCE OF RECORDS & AUDIT RIGHTS.

(a) Record Retention. The parties hereto shall maintain for three (3) years thereafter, or longer if required by law, following the termination or expiration of this Agreement, all records relating to their obligations and responsibilities under this Agreement.

(b) Audit Rights.

(i) PBM will make available for audit a random sample of relevant records of PBM chosen by a Third Party Auditor (as defined in Section 6(b)(ii) below) relating to the performance of this Agreement for the purpose of confirming the accuracy of invoices issued by PBM hereunder. The foregoing notwithstanding, PBM shall not be required to disclose any Member identifiable information or any information that PBM is barred from disclosing by an obligation of confidentiality to a third party.

Manufacturer shall be limited to a single audit per Contract Year during the Term of this Agreement and for one year thereafter of records pertaining to no more [REDACTED] whether consecutive or not. [REDACTED] such audits must occur within [REDACTED] Quarters of the current invoice Quarter submitted at time of notice of audit. Such audit may be conducted during the term hereof or the six-month period after the termination date of this Agreement during normal business hours and upon at least thirty (30) days prior written notice (which notice shall specify the purpose and scope of the audit and the time period to be audited). An audit of the records pertaining to a given month must be commenced within the twelve (12) months immediately following the end of the month that is the subject of the audit. No audit may be commenced until all prior audits are final and closed. Only months with invoices paid by Manufacturer with no open dispute may be the subject of an audit. No audit results may be extrapolated or otherwise applied to any month that is not the subject of an audit.

(ii) Audits will not be performed by Manufacturer's personnel, but by a third party auditor selected by Manufacturer from PBM's approved auditor list in effect at time of audit notification (a copy of the approved auditor list is available upon request), or such other third party auditor as may be approved by PBM ("Third Party Auditor"). Such approval by PBM shall not be unreasonably withheld. The Third Party Auditor must sign a confidentiality agreement with PBM before performing an audit, which confidentiality agreement shall not unreasonably restrict the Third Party Auditor's right to disclose appropriate information to Manufacturer. PBM shall act in good faith in negotiating such confidentiality agreement so as to not limit Manufacturer's ability to conduct audits in a timely manner. Manufacturer will be responsible for all costs incurred in the performance of any audit.

(iii) In addition to the above requirements and limitations, any audit desired by Manufacturer shall be limited to PBM approved documents relevant to Manufacturer's records and shall be conducted as follows: (A) within thirty (30) days of receipt of a Manufacturer audit notice, PBM shall deliver a confidentiality agreement to the Third Party Auditor and (B) within sixty (60) days of PBM's receipt of both the executed confidentiality agreement and data request from the Third Party Auditor, PBM shall schedule the Third Party Auditor for an on-site review and audit of the relevant data at the PBM facility designated by PBM.

(iv) The Third Party Auditor shall provide a draft report of preliminary observations and findings to PBM and Manufacturer within thirty (30) days of the onsite audit ("Preliminary Audit Report"). PBM will have thirty (30) days to provide written responses to the Preliminary Audit Report to the Third Party Auditor and Manufacturer. If the applicable findings to which PBM provided responses are included in the final audit report ("Final Audit Report"), the PBM responses will also be included in the Final Audit Report (excluding any patient identifiable level data). Manufacturer shall deliver the Final Audit Report and any assertion of overpayment or underpayment within sixty (60) days of PBM's delivery of written responses to the Preliminary Audit Report. Failure to deliver the Preliminary Audit Report or the Final Audit Report, including any assertion of overpayment, within the

time frames specified above shall result in the audit being deemed closed with no amounts owed by PBM to Manufacturer. PBM will have thirty (30) days to submit objections with supporting documentation to any assertion of overpayment. If PBM submits objections to an assertion of overpayment, Manufacturer may, within thirty (30) days of receipt of the objections, notify PBM of its agreement or disagreement with PBM's objections, and supply supporting documentation. Failure to respond within such thirty (30) day period shall be deemed acceptance of the PBM's objections.

(c) Overpayments & Underpayments. If as a result of an audit or otherwise, the parties agree in writing that all or any part of any payment by Manufacturer to PBM was in excess of that required pursuant to this Agreement, PBM shall arrange for the appropriate refund to Manufacturer of such overpayment within sixty (60) days of such determination; provided, however, that no refund shall be given for any overpayment made by Manufacturer based on a rebate claim from PBM submitted more than twelve (12) months, or eighteen (18) months if the overpayment is identified in the course of an audit, prior to the date PBM receives written notice from Manufacturer of such overpayment. At PBM's option, any overpayment may be credited against amounts subsequently due under this Agreement. If the parties agree that Manufacturer has failed to pay to PBM all amounts required pursuant to this Agreement, Manufacturer shall make payment of such amount to PBM within sixty (60) days of such determination; provided, however, that no payment shall be made for any underpayment based on a rebate claim from PBM submitted more than twelve (12) months, or eighteen (18) months if the underpayment is identified in the course of an audit, prior to the date Manufacturer receives written notice from PBM of such underpayment.

7. TERM AND TERMINATION.

(a) Term. The initial term of this Agreement shall commence on the Effective Date and continue thereafter [REDACTED] subject to earlier termination as provided herein.

(b) Termination. Either party may terminate this Agreement, [REDACTED]

(c) Termination With Cause. PBM or Manufacturer may terminate this Agreement in its sole discretion upon written notice to the other party: (i) if the other party breaches any term of this Agreement and such breach is not cured within thirty (30) days of receipt of written notice of such breach; or (ii) if the other party has become insolvent, or liquidated, files or has filed against it a petition in bankruptcy and such petition is not dismissed within sixty (60) days of the filing, or has a receiver appointed for a substantial part of its assets, makes a general assignment for the benefit of its creditors, or is voluntarily or involuntarily dissolved.

(d) Supervening Illegality.

(i) This Agreement shall terminate if both: (A) as a result of the enactment of any new applicable federal or state law or regulation, or any change in any existing applicable federal or state law or regulation or any new interpretation of any applicable federal or state law or regulation by any court or regulatory agency, the performance by a party of any material obligation under this Agreement would be rendered illegal or any material provision of this Agreement would be rendered invalid or unenforceable, and (B) the parties are unable to negotiate a mutually acceptable amendment to this Agreement pursuant to Section 7(c)(iii) below. If any immaterial provision of this Agreement is held to be illegal, invalid or unenforceable for any reason, this Agreement shall be deemed amended to delete such provision, such amendment to apply only with respect to the operation of this Agreement in the particular jurisdiction in which such provision is held to be illegal, invalid or unenforceable, and the

remainder of this Agreement shall remain in full force and effect and enforceable in accordance with its terms.

(ii) The parties agree that the party affected by the new law or regulation or the change in law or regulation or the interpretation of a law or regulation shall use reasonable efforts to give the other party at least sixty (60) days prior written notice of the effective date of such new law, change, or interpretation.

(iii) The parties agree that, notwithstanding the foregoing provisions of this Section, either party may, within ten (10) business days of giving or receiving notice of the new law, change, or interpretation, notify the other party of its wish to renegotiate the applicable terms of this Agreement ("Renegotiation Notice"), in which event the parties shall negotiate in good faith, for a period of sixty (60) days from delivery of the Renegotiation Notice, an amendment to this Agreement that addresses the portion of this Agreement rendered illegal, invalid or unenforceable by the new law, change, or interpretation while preserving to the greatest extent possible the original intent of this Agreement. If the parties successfully conclude such negotiations prior to the effective date of the new law, change, or interpretation, this Agreement shall not terminate and shall be amended to reflect the negotiated terms. If the parties are unable to successfully conclude such negotiations prior to the effective date of the new law, change, or interpretation and such effective date is within the sixty (60) day negotiation period, negotiations shall continue but this Agreement shall be deemed amended to delete such portion rendered illegal, invalid or unenforceable, such amendment to apply only with respect to the operation of this Agreement in the particular jurisdiction in which such portion is held to be illegal, invalid or unenforceable, and the remainder shall remain in full force and effect and enforceable in accordance with its terms, subject to the subsequent sentence. In the event the parties are unable to successfully conclude such negotiations within the sixty (60) day negotiation period, this Agreement shall terminate at the end of the sixty (60) day negotiation period.

(d) Survival. Termination or expiration of this Agreement for any reason shall not release any party from any liability which at the time of termination or expiration has already accrued to another party or which thereafter may accrue with respect to any act or omission occurring prior to termination or expiration, including, without limitation, Manufacturer's obligation to pay Rebates and Administrative Fees in accordance with this Agreement for Product(s) dispensed prior to the date of termination or expiration. Without limiting the generality of the foregoing, Sections 4, 5, 6(b) (for a period of one year), 7(d) and 8 shall survive any such termination or expiration and, notwithstanding the removal of a Product from this Agreement, Section 4 shall continue to apply with respect to Product dispensed prior to such removal.

8. GENERAL PROVISIONS.

(a) Formulary Independence. Except as may otherwise be explicitly provided in this Agreement to the contrary, nothing in this Agreement shall be deemed or construed to in any way limit the ability of PBM to intervene against, or otherwise conduct formulary activities with respect to, any Product of Manufacturer. Nothing in this Agreement shall be construed to require PBM to take any action in contravention of, or refrain from taking any action required by, the Plan design or its agreement with a particular Client. Nothing in this Agreement shall be construed to limit the ability of PBM, including PBM's P&T Committee, to remove or add products from or to any drug list or formulary or to limit the ability of any Plan to remove or add products from or to its Plan Formulary, even though such products may compete directly with one or more Products. The foregoing notwithstanding, PBM acknowledges that actions permitted by this Section may affect eligibility for Rebate or Administrative Fee payments hereunder if the applicable conditions to payment set forth in Exhibit C are not satisfied.

(b) Entire Agreement; Amendment; Waiver. This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior oral and written negotiations, representations, agreements and understandings of the parties with respect thereto. Except as expressly provided herein, this Agreement and any Exhibit hereto may not be amended or modified except by a written instrument signed by all parties hereto. No waiver or discharge of any breach of this Agreement shall be effective unless it is in writing signed by all parties hereto. Any waiver of any breach of any provision of this Agreement shall not be a waiver of any subsequent breach of the same or of any other provision of this Agreement. This Agreement shall be construed without regard to the party that drafted it. Any claimed ambiguity shall not be interpreted against either party, but shall, instead, be resolved in accordance with other applicable rules governing the interpretation of contracts.

(c) Notices. Any notice given under this Agreement shall be deemed received if in writing and if sent by hand delivery, overnight courier which provides confirmation of delivery, or certified mail, return receipt requested, sent to the applicable party at the following addresses:

If to PBM:
Caremark, L.L.C.
2211 Sanders Road
Northbrook, IL 60062
Attn: Senior Vice President, Trade Relations

If to Manufacturer:
sanofi-aventis U.S. LLC
Attn: Contract Operations
Mail Code 55B-205A
55 Corporate Drive
Bridgewater, NJ 08807

with a copy to:
Caremark, L.L.C.
9501 E. Shea Blvd.
Scottsdale, AZ 85260
Attn: Vice President,
Manufacturer Contracting,
Law Department

with a copy to:
sanofi-aventis U.S. LLC
Attn: Vice President and General Counsel
Mail Code 55A-515A
55 Corporate Drive
Bridgewater, NJ 08807

or to such other address or to the attention of such other person as a party may designate in writing given pursuant to this Section. Notices sent by certified mail shall be deemed received three (3) business days following mailing.

(d) Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the internal laws of the State of Delaware. No provision of this Agreement shall be applied or construed in a manner inconsistent with applicable state and federal laws and regulations.

(e) Assignment. Except as set forth in Section 3(i) above, none of the parties hereto may assign this Agreement without the prior written consent of the other party, provided, however, that either party may assign this Agreement, upon notice to the other party, to any of its Affiliates or as part of the sale or transfer of the assets to which this Agreement pertains.

(f) Headings. The section headings contained herein are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

(g) Independent Contractors. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating a relationship of employer and employee, principal and agent, or joint venture of the parties hereto; it being understood and agreed that no provision contained in this Agreement nor

any acts of the parties hereto shall be deemed to place PBM in any relationship with Manufacturer other than as an independent contractor.

(h) Dispute Resolution. In the event of a dispute between the parties, PBM or Manufacturer may, by giving written notice to the other party ("Dispute Notice"), request a meeting of authorized representatives of the parties for the purpose of resolving the dispute. The parties agree that, within ten (10) days after issuance of the Dispute Notice, each party shall designate a representative to participate in dispute resolution discussions which will be held at a mutually acceptable time and place (or by telephone) for the purpose of resolving the dispute. Each party agrees to negotiate in good faith to resolve the dispute in a mutually acceptable manner. If despite the good faith efforts of the parties, the authorized representatives of the parties are unable to resolve the dispute within thirty (30) days after the issuance of the Dispute Notice, or if the parties fail to meet within such thirty (30) day period, either party may, by written notice to the other party, submit the dispute to arbitration. The foregoing shall not affect the right of either party to at any time seek appropriate legal or equitable relief. Notwithstanding any provision herein to the contrary, in no event as a result of any arbitration or otherwise, shall: (i) a party be liable under this Agreement for the payment of any consequential, punitive, incidental or special damages or lost profits except to the extent such damages (A) constitute Losses that are covered by such party's indemnification obligations set forth in Section 4(d) and (B) are incurred by or are awarded to a third party (an Affiliate of a party shall not be considered a third party for purposes of this subsection (B)).

(i) Counterparts. This Agreement may be executed in counterparts which taken together shall constitute one agreement. This Agreement must be manually signed by both parties and delivered in accordance to Section 8(c).

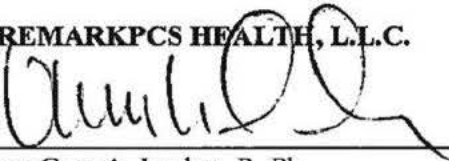
(j) Force Majeure. Neither party shall be liable to the other for failure to perform its obligations hereunder or supply any Product(s) due to acts of terrorism, strike, accident, fire, riot, war, flood, storm, rebellion, insurrection, sabotage, explosion, acts of God, labor disturbance, failure or shortage of transportation facilities, national defense requirement, governmental regulations, ordinance or other cause beyond the reasonable control of such party.

(k) No Third Party Beneficiaries. Nothing in this Agreement is intended or shall be deemed to confer upon any person, other than the parties and their respective successors and permitted assigns, any rights, obligations, remedies or liabilities.

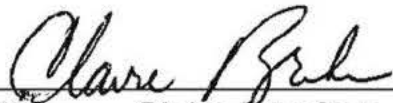
[NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or representatives as of the Effective Date.

CAREMARKPCS HEALTH, L.L.C.

By: 
Name: Gary A. Loeber, R. Ph.
Title: Senior Vice President, Trade Relations

SANOFI-AVENTIS U.S. LLC

By: 
Name: **Claire Brunken**
Title: **Vice President**
Strategic Pricing & Contracting

SANOFI-AVENTIS U.S. LLC

By: 
Name: _____
Title: **Michael J. Kaseta**
VP, North America Financial Controlling

CONFIDENTIAL

Exhibit A
Reconciliation Report

Payment Detail Reconciliation Report

Invoice Period	Report ID	Claim ID	Formulary ID	Plan ID Code (aka Client ID)	Product Code (aka NDC)	Paid Unit Quantity	Paid Unit Price	Paid Admin Fee Rate	Paid Base Rate	Paid Price Protection Rate	Paid Market Share Rate	Paid Admin Fee \$\$\$	Paid Base \$\$\$	Paid Price Protection \$\$\$	Paid Market Share \$\$\$

Payment Summary Reconciliation Report

Invoice Period	Report ID	Formulary ID	Plan ID Code (aka Client ID)	Product Code (aka NDC)	Paid Unit Quantity	Paid Unit Price	Paid Admin Fee Rate	Paid Base Rate	Paid Price Protection Rate	Paid Market Share Rate	Paid Admin Fee \$\$\$	Paid Base \$\$\$	Paid Price Protection \$\$\$	Paid Market Share \$\$\$

Exhibit B
Disputed Claim Report

Invoice Period	Claim ID	Plan ID Code (aka Client ID)	Product Code (aka NDC)	Prescription Reference Number (aka Rx#)	Pharmacy ID Code	Date of Fill	Refill Code	Reason

CONFIDENTIAL

EXHIBIT C
REBATES & ADMINISTRATIVE FEES

- A. **Rebates – Commercial Plans.** The following Rebate Percentages shall be applicable for Products dispensed to Members of Commercial Plans:

Effective 07/01/2013 until 12/31/2013:

REBATES FOR APIDRA® / APIDRA® SoloStar® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)		
Plan Type	1 of 2 Product Status	1 of 3 Product Status
Managed Plans - 2T	32%	7%
Managed Plans -3T	32%	7%
Highly Managed Plans	37%	17%
Closed Plans	37%	17%

Effective 01/01/2014:

REBATES FOR APIDRA® / APIDRA® SoloStar® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)			
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T	32%	32%	7%
Managed Plans -3T	32%	32%	7%
Highly Managed Plans	39%	39%	17%
Closed Plans	42%	42%	17%

Effective 07/01/2013:

REBATES FOR AUBAGIO (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)					
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 4 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T					
Managed Plans -3T					
Highly Managed Plans					
Closed Plans					

Effective 07/01/2013:

REBATES FOR AUBAGIO with Step-Edit and Oral MS 1 of 1 Product Status <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>					
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 4 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T					
Managed Plans -3T					
Highly Managed Plans					
Closed Plans					

Effective 07/01/2013:

REBATES FOR AUBAGIO with Step-Edit and Oral MS 1 of 2 Product Status <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>					
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 4 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T					
Managed Plans -3T					
Highly Managed Plans					
Closed Plans					

Effective 07/01/2013:

REBATES FOR AUVI-Q <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>		
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status
Managed Plans - 2T		
Managed Plans -3T		
Highly Managed Plans		
Closed Plans		

Effective 07/01/2013:

REBATES FOR HECTOROL <i>(INCLUDES ONLY ORAL CAPSULES, NDCs, STRENGTHS & PACKAGE SIZES)</i>				
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T				
Managed Plans -3T				
Highly Managed Plans				
Closed Plans				

Effective 07/01/2013 until 12/31/2013:

REBATES FOR LANTUS®/ LANTUS® SoloStar® <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>	
Plan Type	Listed Formulary Status
Managed Plans - 2T	2.5%
Managed Plans -3T	2.5%
Highly Managed Plans	2.5%
Closed Plans	2.5%

Effective 01/01/2014:

REBATES FOR LANTUS® <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>			
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T	2%	2%	2%
Managed Plans -3T	3%	3%	3%
Highly Managed Plans	4%	4%	4%
Closed Plans	4%	4%	4%

Effective 01/01/2014:

REBATES FOR LANTUS® SoloStar® <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>			
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T	2%	2%	2%
Managed Plans -3T	4%	4%	4%
Highly Managed Plans	6%	6%	6%
Closed Plans	7%	7%	7%

Effective 07/01/2013:

REBATES FOR MULTAQ® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)	
Plan Type	Listed Formulary Status
Managed Plans - 2T	
Managed Plans -3T	
Highly Managed Plans	
Closed Plans	

Effective 07/01/2013:

REBATES FOR RENVELA® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)	
Plan Type	Listed Formulary Status
Managed Plans - 2T	
Managed Plans -3T	
Highly Managed Plans	
Closed Plans	

Effective 07/01/2013:

REBATES FOR SYNVISIC; SYNVISIC ONE (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Plan Type	1 of 1 Manufacturer Status with Two Competitive Product Excluded*	1 of 1 Manufacturer Status with One Competitive Product Excluded**	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status
Managed Plans - 2T				
Managed Plans -3T				
Highly Managed Plans				
Closed Plans				

B. Conditions to Rebates - Commercial Plans. The payment of Rebates for Products dispensed to Members of Commercial Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof:

1. The Product is covered by the Plan and listed on the Plan Formulary in the applicable status set forth in the above Rebate tables.

2. The Product is adjudicated at the Preferred Brand Tier except as set forth in this Section B. of Exhibit C.
3. The Product is not subject to Disadvantaging.



6. With respect to the Rebates payable on Lantus only:
 - (a) For purposes of this Agreement, a listing of "Lantus" on the Plan Formulary may refer to either form of Lantus (i.e Lantus or Lantus SoloStar).
 - (b) In the event Lantus SoloSTAR is not adjudicated on the Preferred Brand Tier, then, in order for any form of Lantus Product to be eligible for Rebates, Lantus SoloSTAR must be adjudicated on the Non-Preferred Brand Tier with equal status as compared to all covered competitor pens in the Competitive Category, with no competitor pen in the Competitive Category listed in a more favorable position than Lantus SoloSTAR. Notwithstanding the foregoing, Rebates will not be paid on Lantus SoloStar when adjudicated in Non-Preferred Brand Tier.
7. With respect to the Rebates payable on Apidra only:
 - (a) For purposes of this Agreement, a listing of "Apidra" on the Plan Formulary may refer to either form of Apidra (i.e Apidra or Apidra SoloSTAR).
 - (b) In the event Apidra SoloSTAR is not adjudicated on the Preferred Brand Tier, then, in order for any form of Apidra Product to be eligible for Rebates, Apidra SoloSTAR must be adjudicated on Non-Preferred Brand Tier with equal status as compared to all covered competitor pens in the Competitive Category. No competitor pen in the Competitive Category is listed in a more favorable position than Apidra SoloSTAR. Notwithstanding the foregoing, Rebates will not be paid on Apidra SoloStar when adjudicated in Non-Preferred Brand Tier.
8. Closed Plans are eligible for the Rebates set forth in the charts above only if the Product is a Closed Plan Reimbursable Product.

C. Rebates – Exclusion Plans. The following Rebate Percentages shall be applicable for Products dispensed to Members of Exclusion Plans between July 1, 2013 and December 31, 2013:

Effective 07/01/2013:

REBATES FOR AMBIEN® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)	
Plan Type	Rebate
Managed Plans - 2T	
Managed Plans - 3T	
Highly Managed Plans	
Closed Plans	

Effective 07/01/2013:

REBATES FOR AMBIEN CR® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)	
Plan Type	Rebate
Managed Plans - 2T	
Managed Plans -3T	
Highly Managed Plans	
Closed Plans	

- D. Conditions to Rebates - Exclusion Plans.** The payment of Rebates for Products dispensed to Members of Exclusion Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof:

1. The Product is adjudicated at the Non-Preferred Brand Tier or better
2. The Product is not subject to Exclusion
3. The Product is not subject to Disadvantaging with the exception of when a Disadvantaging activity was already in use by a Plan prior to July 1, 2012 and the same Disadvantaging activity has continued without interruption through the term of this Agreement.
4. Closed Plans are eligible for the Rebates set forth in the charts above only if the Product is a Closed Plan Reimbursable Product.

- E. Rebates – Managed Medicaid Plans.** The following Rebate Percentages shall be applicable for Products dispensed to Members of Managed Medicaid Plans:

Effective 07/01/2013 until 12/31/2013:

REBATES FOR APIDRA® / APIDRA® SoloStar® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)	
Plan Type	Listed Formulary Status
Managed Plans - 2T	7%
Managed Plans -3T	7%
Highly Managed Plans	12%
Closed Plans	12%

Effective 01/01/2014 to 12/31/14:

REBATES FOR APIDRA® / APIDRA® SoloStar® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)			
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T	2.5%	2.5%	2.5%
Managed Plans -3T	2.5%	2.5%	2.5%
Highly Managed Plans	2.5%	2.5%	2.5%
Closed Plans	2.5%	2.5%	2.5%

Effective 07/01/2013 to 12/31/14:

REBATES FOR AUBAGIO <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>				
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T				
Managed Plans -3T				
Highly Managed Plans				
Closed Plans				

Effective 07/01/2013 to 12/31/14:

REBATES FOR AUBAGIO with Step-Edit and Oral MS 1 of 1 Product Status <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>				
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T				
Managed Plans -3T				
Highly Managed Plans				
Closed Plans				

Effective 07/01/2013 to 12/31/14:

REBATES FOR AUBAGIO with Step-Edit and Oral MS 1 of 2 Product Status <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>				
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T				
Managed Plans -3T				
Highly Managed Plans				
Closed Plans				

Effective 07/01/2013 to 12/31/14:

REBATES FOR AUVI-Q <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>		
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status
Managed Plans - 2T		
Managed Plans -3T		
Highly Managed Plans		
Closed Plans		

Effective 01/01/14 to 12/31/14:

REBATES FOR HECTOROL <i>(INCLUDES ONLY ORAL CAPSULES, NDCs, STRENGTHS & PACKAGE SIZES)</i>				
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T				
Managed Plans -3T				
Highly Managed Plans				
Closed Plans				

Effective 07/01/2013 to 12/31/13:

REBATES FOR LANTUS®/ LANTUS® SoloStar® <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>	
Plan Type	Listed Formulary Status
Managed Plans - 2T	2.5%
Managed Plans -3T	2.5%
Highly Managed Plans	2.5%
Closed Plans	2.5%

Effective 01/01/2014 to 12/31/14:

REBATES FOR LANTUS®/ LANTUS® SoloStar® <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>			
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	Listed Formulary Status
Managed Plans - 2T	2.5%	2.5%	2.5%
Managed Plans -3T	2.5%	2.5%	2.5%
Highly Managed Plans	2.5%	2.5%	2.5%
Closed Plans	2.5%	2.5%	2.5%

Effective 07/01/2013 to 12/31/14:

REBATES FOR MULTAQ® <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>	
Plan Type	Listed Formulary Status
Managed Plans - 2T	
Managed Plans -3T	
Highly Managed Plans	
Closed Plans	

Effective 07/01/2013 to 12/31/14:

REBATES FOR SYNVISIC; SYNVISIC ONE <i>(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)</i>		
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status
Managed Plans - 2T		
Managed Plans -3T		
Highly Managed Plans		
Closed Plans		

- F. Conditions to Rebates - Managed Medicaid Plans.** The payment of Rebates for Products dispensed to Members of Managed Medicaid Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof:

1. The Product is covered by the Plan in the applicable Status set forth in the above Rebate tables.
2. The Product is adjudicated at the Preferred Brand Tier except as set forth in this Section F. of Exhibit C.
3. The Product is not subject to Disadvantaging.

6. With respect to the Rebates payable on Lantus only:
 - (a) For purposes of this Agreement, a listing of "Lantus" on the Plan Formulary may refer to either form of Lantus (i.e. Lantus or Lantus SoloStar).
 - (b) In the event Lantus SoloSTAR is not adjudicated on the Preferred Brand Tier, then, in order for any form of Lantus Product to be eligible for Rebates, Lantus SoloSTAR must be adjudicated on the Non-Preferred Brand Tier with equal status as compared to all covered competitor pens in the Competitive Category, with no competitor pen in the Competitive Category listed in a more favorable position than Lantus SoloSTAR. Notwithstanding the foregoing, Rebates will not be paid on Lantus SoloStar when adjudicated in Non-Preferred Brand Tier.
7. With respect to the Rebates payable on Apidra only:
 - (a) For purposes of this Agreement, a listing of "Apidra" on the Plan Formulary may refer to either form of Apidra (i.e. Apidra or Apidra SoloSTAR).
 - (b) In the event Apidra SoloSTAR is not adjudicated on the Preferred Brand Tier, then, in order for any form of Apidra Product to be eligible for Rebates, Apidra SoloSTAR must be adjudicated on Non-Preferred Brand Tier with equal status as compared to all covered competitor pens in the Competitive Category. No competitor pen in the Competitive Category is listed in a more favorable position than Apidra SoloSTAR. Notwithstanding the foregoing,

Rebates will not be paid on Apidra SoloStar when adjudicated in Non-Preferred Brand Tier.

8. Closed Plans are eligible for the Rebates set forth in the charts above only if the Product is a Closed Plan Reimbursable Product.

G. Rebates – Discount Card Plans. The following Rebate Percentages shall be applicable for Products dispensed to Members of Discount Card Plans:

Product Name	NDC#	Strength	Package Size	Base Rebate Percentage
Apidra/Apidra SoloStar	All NDC's	All Strengths	All Package Sizes	0%
Aubagio	All NDC's	All Strengths	All Package Sizes	
Auvi-Q	All NDC's	All Strengths	All Package Sizes	
Hectorol	(Oral Capsules NDC's)	All Strengths	All Package Sizes	
Lantus/Lantus SoloStar	All NDC's	All Strengths	All Package Sizes	0%
Multaq	All NDC's	All Strengths	All Package Sizes	
Renvela	All NDC's	All Strengths	All Package Sizes	
Synvisc; Synvisc One	All NDC's	All Strengths	All Package Sizes	

H. Conditions to Rebates - Discount Card Plans. The payment of Rebates for Products dispensed to Members of Discount Card Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof.

I. Calculation of Rebates. Rebates shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] of the applicable Quarter multiplied by the applicable Rebate Percentage.

J. Administrative Fees. Administrative Fees shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] the applicable Quarter multiplied by the Administrative Fee Percentage:

Product	Commercial Plan Administrative Fee Percentage	Managed Medicaid Plan Administrative Fee Percentage	Discount Card Plan Administrative Fee Percentage
Apidra® / Apidra® Solostar®	3%	3.0% (effective 7/1/2013) 2.5% (effective 1/1/2014 to 12/31/14)	0%
Aubagio	[REDACTED]		
Auvi-Q			
Hectorol®			
Lantus®/ Lantus® Solostar®	2.5% (effective 7/1/2013) 3.0% (effective 1/1/2014)	2.5% (effective 1/1/2014 to 12/31/14)	0%
Multaq®	[REDACTED]		
Renvela®			
Synvisc; Synvisc One			
Ambien			
Ambien CR			

K. Manufacturer Payment Terms.

(1) Payment. Manufacturer will make payments of Rebates and Administrative Fees to PBM, in accordance to Section 3 of the Agreement, within sixty (60) days of Manufacturer's receipt of the Utilization Reports for such Quarter.

(2) Method of Payment. All payments made by Manufacturer shall be made electronically, to the bank account designated by PBM. In the event payment is not made electronically (c.g., payment is made by check), each payment due date set forth in this Section shall be automatically accelerated by seven (7) days. Except as otherwise set forth in Section 6(c), in no event shall Manufacturer offset any payment, debit account balance or other amount owing or payable by PBM to Manufacturer against any amounts payable by Manufacturer.

(3) Manufacturer Documentation. Manufacturer shall deliver to PBM, electronically and within sixty (60) days of receipt of the Utilization Reports, the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively, a reconciliation report in either of the formats set forth in Exhibit A to the Agreement.

L. Medicaid Reimbursed Claims. Manufacturer shall pay Rebates with respect to Units of Eligible Utilization of Products dispensed to Members of Managed Medicaid Plans as set forth above in "Rebates - Managed Medicaid Plans." Manufacturer shall have no obligation to pay Rebates with respect to Units

of Products dispensed to Members for which reimbursement has been provided under a Medicaid program on a Unit basis.

N. Additional Defined Terms. For purposes of this Exhibit C, the following definitions shall apply:

"1 of 1 Product Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Product is listed on the Plan Formulary and no Competitive Products are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, the Product is listed on the Plan Formulary with a Preferred Brand Tier designation and no Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 2 Product Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Product and only one Competitive Product are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, the Product and only one Competitive Product are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 3 Product Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Product and only two Competitive Products are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, the Product and only two Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 1 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) is listed on the Plan Formulary and no Competitive Products are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) is listed on the Plan Formulary with a Preferred Brand Tier designation and no Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 2 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) and the Competitive Products of only one other manufacturer are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) and the Competitive Products of only one other manufacturer are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 3 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) and the Competitive Products of only two other manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) and the Competitive Products of only two other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 4 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) and the Competitive Products of only three other manufacturers are listed on the Plan

Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) and the Competitive Products of only three other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

"Commercial Plan" means any Plan that is not a Managed Medicaid Plan or a Discount Card Plan.

"Competitive Categories" means, with respect to each Product, all forms, strengths and NDCs of the following products (and associated manufacturers):



With respect to Apidra and Apidra SoloStar, the following products: Apidra (sanofi-aventis U.S.), Humalog (Eli Lilly) and Novolog (Novo Nordisk).



With respect to Lantus and Lantus SoloStar, the following products: Lantus (sanofi-aventis U.S.), Humalog (Eli Lilly), Humalog Mix (Eli Lilly), Humulin Mix (Eli Lilly), Humulin N (Eli Lilly), Levemir (Novo Nordisk), Novolin Mix (Novo Nordisk), Novolin N (Novo Nordisk), Novolog (Novo Nordisk), Novolog Mix (Novo Nordisk), Relion Mix (Relion), Relion N (Relion), Actoplus MET (Takeda), Actos (Takeda), Avandamet (GlaxoSmithKline), Avandaryl (GlaxoSmithKline), Avandia (GlaxoSmithKline), Byetta (Bristol-Myers Squibb), Bydureon (Bristol-Myers Squibb), Duetact (Takeda), Invokana (Janssen), Janumet (Merck), Janumet KX (Merck), Januvia (Merck), Juvisync (Merck), Kazano (Takeda), Kombiglyze XR (Bristol-Myers Squibb), Nesina (Takeda), Onglyza (Bristol-Myers Squibb), Oseni (Takeda), Tradjenta (Eli Lilly), and Victoza (Novo Nordisk).



“Disadvantage” means intervention activities focused on specific prescriptions for a Product where such activities are reasonably intended to discourage the utilization of the Product in favor of a Competitive Product including, but not limited to, (i) NDC blocking, (ii) prior authorization requirements, (iii) quantity limits (iv), counter-detailing or counter-promoting, (v) switching or therapeutic substitution, and (vi) step edits . This activity list shall not be deemed to be exhaustive. The term “Disadvantage” shall not include actions taken for reasons of (a) clinical appropriateness, (b) Member safety, (c) generic substitution or intervention involving another product that is rated by FDA as AB-rated generic equivalent to a Product, (d) adjudication of a generic product at a more favorable co-pay or co-insurance level or the listing of a generic product on a Plan Formulary at a more favorable co-pay tier, or (e) Genetic Testing or Validation which has been mutually agreed upon and listed in Exhibit E.

“Excluded” or “Exclusion” means that a product is subject to NDC block or prior authorization based on medical necessity and/or failure of all formulary products in the relevant Competitive Category, or is otherwise not covered by the Plan, subject in each case to exceptions for medical necessity and such exceptions as may be required to comply with applicable law.

“Exclusion Plan” means a Plan that: (i) has adopted the PBM Drug List and the PBM Prescribing Guide as the Plan Formulary, and (ii) may subject other branded pharmaceutical products in the relevant Competitive Category to Exclusion.

“Genetic Testing or Validation” means activities undertaken to determine whether a prescribed treatment regimen is medically appropriate or optimal for individuals with a certain genetic make-up, which activities may include, without limitation, advising prescribers of the availability of a genetic test for patients who fall within the specified risk category for a pharmaceutical product, genetic testing, and, where indicated by genetic make-up, advising patients and prescribers of alternate drugs or therapies that are more appropriate or effective.

“Listed Formulary Status” means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that the Product is listed on the Plan Formulary.

“Non-Preferred Brand Tier” means the adjudication tier with the highest Member co-pay amount or co-insurance percentage for branded, single source prescription products in the Product’s Competitive Category.

“NMS” means (i) the total number of units of the product dispensed in the United States during the relevant Quarter, as determined by IMS NPA Plus Data, divided by (ii) the total number of units of all products in the Competitive Category dispensed in the United States during the relevant Quarter, in each case as determined by IMS data.

“Oral MS Branded Product” means the following products: Aubagio, Tecfidera and Gilenya.

“Oral MS 1 of 1 Product Status” means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Product is listed on the Plan Formulary and no other Oral MS Branded Product is listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, the Product is listed on the Plan Formulary with a Preferred Brand Tier designation and no other Oral MS Branded Product is listed on the Plan Formulary with a Preferred Brand Tier designation.

“Oral MS 1 of 2 Product Status” means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Product and only one other Oral MS Branded Product are listed on the Plan Formulary, and (ii) for Plans with a Tiered

Formulary, the Product and only one other Oral MS Branded Product are listed on the Plan Formulary with a Preferred Brand Tier designation.

“Preferred Brand Tier” means the adjudication tier with the lowest Member co-pay amount or co-insurance percentage for branded, single source prescription products in the Product’s Competitive Category. A Product will not be considered adjudicated in Preferred Branded Tier where a branded, single source prescription product in the same Competitive Category is adjudicated at a lower Member co-pay amount or co-insurance percentage level.

“Step-Edit” means a requirement that branded, single source, prescription products in a Preferred Brand Tier must first be tried by the Member before the branded, single source prescription product in the Non-Preferred Branded Tier will be covered by a Plan provided, however, that “Step Edit” shall not include requirements imposed for reasons of clinical appropriateness, Member safety, or Genetic Testing or Validation.

“Tiered Formulary” means a Plan Formulary that lists both the names of the pharmaceutical products and their adjudication tier status.

“Traditional Formulary” means a Plan Formulary that lists the names of the pharmaceutical products but not their adjudication tier status.

* * *

**FOURTEENTH AMENDMENT TO THE
REBATE AGREEMENT**

THIS FOURTEENTH AMENDMENT TO THE REBATE AGREEMENT ("Fourteenth Amendment") is made and entered into effective as of **August 1, 2018** ("**Fourteenth Amendment Effective Date**"), by and between CAREMARKPCS HEALTH, L.L.C., a Delaware limited liability company ("PBM"), and Sanofi-Aventis U.S. LLC, a Delaware limited liability company on its own behalf and on behalf of its Affiliate, Genzyme Corporation ("Manufacturer").

Background

PBM and Manufacturer have entered into that certain Rebate Agreement, dated July 1, 2013, as amended ("Agreement"). Capitalized terms not otherwise defined herein shall have the meaning given to them in the Agreement. PBM and Manufacturer desire to further amend the Agreement as hereinafter set forth.

The parties hereto agree as follows:

1. Effective January 1, 2019, Section 1 of the Agreement, Definitions, is hereby amended by deleting the definitions of "Closed Plan", "Closed Plan Reimbursable Product", and "Managed Medicaid Restricted Plan" in their entirety.

2. Effective January 1, 2019, Section 1 of the Agreement, Definitions, is hereby amended by deleting the definition of "Managed Medicaid Unrestricted Plan" in its entirety and replacing it with the following:

"Managed Medicaid Unrestricted Plan" means any Managed Medicaid Plan that, as determined on a Product by Product, Quarter by Quarter, and Plan by Plan basis, does not impose a step edit or prior authorization, and is not a Managed Medicaid Restricted Level 1 Plan or a Managed Medicaid Restricted Level 2 Plan.

3. Effective January 1, 2019, Section 6(b)(iv) of the Agreement is hereby deleted in its entirety and replaced with the following:

(iv) The Third Party Auditor shall provide a list of follow up questions within 30 days of the onsite audit and PBM will respond within thirty (30) days of receipt of the list. The Third Party Auditor shall provide to PBM a draft of the final audit report ("Draft Final Audit Report") containing the proposed findings of the audit within sixty (60) days of the onsite audit. PBM will have thirty (30) days to provide written responses to the Draft Final Audit Report. If the applicable findings to which PBM provided responses are included in the final audit report ("Final Audit Report"), the PBM responses will also be included in the Final Audit Report (excluding any patient identifiable level data). Manufacturer shall deliver the Final Audit Report and any assertion of overpayment or underpayment within sixty (60) days of PBM's delivery of written responses to the Draft Final Audit Report. Failure to deliver the Draft Final Audit Report or the Final Audit Report, including any assertion of overpayment, within the time frames specified above shall result in the audit being deemed closed with no amounts owed by PBM to Manufacturer. PBM will have sixty (60) days to submit objections to any assertion of overpayment. If PBM submits objections to an assertion of overpayment, Manufacturer may, within thirty (30) days of receipt of the objections, notify PBM of its agreement with PBM's objections or submit the dispute to the Dispute Resolution process set forth in Section 8(h). Failure to respond within such thirty (30) day period shall be deemed acceptance of the PBM's objections.

4. Effective January 1, 2019, Section 6(c) of the Agreement, Overpayments & Underpayments, is hereby deleted in its entirety and replaced with the following:

(c) Overpayments & Underpayments. If, as a result of an audit or otherwise, the parties agree in writing that all or any part of any payment by Manufacturer to PBM was in excess of that required pursuant to this Agreement, PBM shall arrange for the appropriate refund to Manufacturer of such overpayment within sixty (60) days of such determination; provided, however, that no refund shall be given for any overpayment made by Manufacturer based on a rebate claim from PBM submitted

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more than four (4) Quarters, or six (6) Quarters if the overpayment is identified in the course of an audit, prior to the date PBM receives written notice from Manufacturer of such overpayment. At PBM's option, any overpayment may be credited against amounts subsequently due under this Agreement. If the parties agree that Manufacturer has failed to pay to PBM all amounts required pursuant to this Agreement, Manufacturer shall make payment of such amount to PBM within sixty (60) days of such determination; provided, however, that no payment shall be made for any underpayment based on a rebate claim from PBM submitted more than four (4) Quarters, or six (6) Quarters if the underpayment is identified in the course of an audit, prior to the date Manufacturer receives written notice from PBM of such underpayment.

5. Effective August 1, 2018, Exhibit C-6 ("Rebates & Administrative Fees") attached to the Agreement is hereby deleted in its entirety and replaced with Exhibit C-6 ("Rebates & Administrative Fees") attached to this Fourteenth Amendment.

6. Effective January 1, 2019, Exhibit C-1 ("Prudent Rebates & Administrative Fees") attached to the Agreement is hereby deleted in its entirety and replaced with Exhibit C ("Prudent Rebates & Administrative Fees") attached to this Fourteenth Amendment.

7. Effective January 1, 2019, Exhibit C-6 ("Rebates & Administrative Fees") attached to the Agreement is hereby deleted in its entirety and replaced with Exhibit C-1 ("Rebates & Administrative Fees") attached to this Fourteenth Amendment.

8. Effective January 1, 2019, Exhibit C-4 ("Dupixent Rebates & Administrative Fees") attached to the Agreement is hereby deleted in its entirety replaced with Exhibit C-2 ("Dupixent Rebates & Administrative Fees").

Except as modified by this Fourteenth Amendment, all other terms and conditions of the Agreement shall remain in full force and effect. In the event of a conflict between the terms of this Fourteenth Amendment and the terms of the Agreement, the terms of this Fourteenth Amendment shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Fourteenth Amendment to be executed by their duly authorized officers or representatives as of the date first above written.

CAREMARKPCS HEALTH, L.L.C.

By: 

Name: Gary A. Loeber, R. Ph.

Title: Senior Vice President, Trade Relations

SANOI-AVENTIS U.S. LLC

By: 

Name: Gerald Gleason

Vice President

Title: US Market Access

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EXHIBIT C-6**REBATES & ADMINISTRATIVE FEES**

Effective August 1, 2018 through December 31, 2020 (unless otherwise specified below)

- A. **Base Rebates – Commercial Plans.** The following Base Rebate Percentages shall be applicable for Products dispensed by a Participating Pharmacy to Members of Commercial Plans:

A-1 Apidra®/Apidra SoloSTAR®:

BASE REBATES FOR APIDRA®/APIDRA® SoloSTAR® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	Listed Formulary Status	Third Tier Status
Managed Plans - 2T	66.0%	41.0%	36.0%	N/A
Managed Plans - 3T	66.0%	41.0%	36.0%	31.0%
Highly Managed Plans	66.0%	41.0%	38.0%	31.0%
Closed Plans*	66.0%	41.0%	41.0%	31.0%
Incremental Base Rebate For Additional Controls: (Not Applicable to Third Tier Status Rebates)				
<i>One Manufacturer of Competitive Products Excluded</i>				15.0%
<i>Two Manufacturers of Competitive Products Excluded</i>				15.0%

*Managed Plans-2T, Managed Plans-3T, and Highly Managed Plans that adopt the Advanced Control Formulary™ will also be eligible for Closed Plan Rebate rates. Additionally, for clarity, Plans which do not otherwise qualify as Closed Plans, will receive Closed Plan Rebate rates with respect to the Apidra/Apidra SoloSTAR Competitive Category where Plan has opted into Exclusion Plan status for the Apidra/Apidra SoloSTAR Competitive Category.

Rebates are not intended to encourage or require PBM to recommend or require a change to a Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

Plans that meet the requirements of A-1 and any additional conditions applicable to Product in Section B will be eligible for Price Protection and Additional Rebate per Section I. below.

A Formulary listing of "Apidra" shall mean Apidra® and Apidra SoloSTAR® are both on Formulary.

A-2 Aubagio:

BASE REBATES FOR AUBAGIO (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)					
Plan Type	1 of 1 Manufacturer Status **	1 of 2 Manufacturer Status **	1 of 3 Manufacturer Status **	Listed Formulary Status	Third Tier Status
Managed Plans - 2T					
Managed Plans - 3T					
Highly Managed Plans					
Closed Plans*					

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

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****Within the branded Multiple Sclerosis oral products Category as defined in Section O.**

A-3 Lantus and Lantus SoloSTAR:

REBATES FOR LANTUS® and LANTUS SoloSTAR® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Plan Type	1 of 1 Manufacturer Status**	1 of 2 Manufacturer Status**	1 of 3 Manufacturer Status **	Third Tier Status
Managed Plans - 2T	56.0%	54.0%	51.0%	N/A
Managed Plans -3T	56.0%	54.0%	51.0%	N/A
Highly Managed Plans	56.0%	54.0%	51.0%	N/A
Closed Plans*	56.0%	54.0%	51.0%	N/A
Incremental Base Rebate For Additional Controls: (Not Applicable to Third Tier Status Rebates)				
<i>One Manufacturer of Competitive Products is Excluded</i>				2.0%
<i>Two Manufacturers of Competitive Products are Excluded and applies only for 1 of 1 Manufacturer Status.</i>				3.0%

*Managed Plans-2T, Managed Plans-3T, and Highly Managed Plans that adopt the Advanced Control Formulary™ will also be eligible for Closed Plan Rebate rates. Additionally, for clarity, Plans which do not otherwise qualify as Closed Plans, will receive Closed Plan Rebate rates with respect to the Lantus and Lantus SoloSTAR Competitive Category where Plan has opted into Exclusion Plan status for the Lantus/Lantus SoloSTAR Competitive Category.

****Within the Long-Acting Insulin Category as defined in Section O.**

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program (Not Applicable to Third Tier Status Rebates)***:	
<i>Implementation of Brand Step Therapy Program</i>	2.0%

***Commercial Plans which have adopted a standard PBM formulary as its Plan Formulary, but have not adopted product exclusion recommendations of PBM, will receive the incremental additional Base Rebate listed above if all Competitive Products recommended for exclusion by PBM are subject to a step therapy, requiring the use of all products in the Competitive Category (including the "Products") that are listed and adjudicated at the Preferred Brand Tier on the Plan Formulary prior to the use of any excluded Competitive Product(s) (the "Brand Step Therapy Program").

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Category when medically necessary.

Plans that meet the requirements of A-3 and any additional conditions applicable to Product in Section B will be eligible for Price Protection and Additional Rebate per Section I. below.

A Formulary listing of "Lantus" shall mean Lantus® vial and Lantus SoloSTAR® are both on Formulary.

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A-4 Lantus and Lantus SoloSTAR

REBATES FOR LANTUS® and LANTUS SoloSTAR® ¹ (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Plan Type	1 of 1 Manufacturer Status**	1 of 2 Manufacturer Status**	1 of 3 Manufacturer Status**	Third Tier Status
Managed Plans - 2T	60.0%	58.0%	56.0%	N/A
Managed Plans - 3T	60.0%	58.0%	56.0%	N/A
Highly Managed Plans	60.0%	58.0%	56.0%	N/A
Closed Plans*	60.0%	58.0%	56.0%	N/A
Incremental Base Rebate For Additional Controls: (Not Applicable to Third Tier Status Rebates)				
One Manufacturer of Competitive Products is Excluded				2.0%
Two Manufacturers of Competitive Products are Excluded and applies only for 1 of 1 Manufacturer Status.				3.0%

*Managed Plans-2T, Managed Plans-3T, and Highly Managed Plans that adopt the Advanced Control Formulary™ will also be eligible for Closed Plan Rebate rates. Additionally, for clarity, Plans which do not otherwise qualify as Closed Plans, will receive Closed Plan Rebate rates with respect to the Lantus and Lantus SoloSTAR Competitive Category where Plan has opted into Exclusion Plan status for the Lantus/Lantus SoloSTAR Competitive Category.

¹ Plan must have all NDCs, strengths, package sizes of Lantus, Lantus SoloSTAR and Toujeo on the Preferred Brand Tier without restrictions to be eligible for this Rebate.

**Within the Long-Acting Insulin Category as defined in Section O.

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

A Formulary listing of "Lantus" shall mean Lantus® vial and Lantus SoloSTAR® are both on Formulary.

Plans that meet the requirements of A-4 and any additional conditions applicable to Product in Section B will be eligible for Price Protection and Additional Rebate per Section I. below.

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program (Not Applicable to Third Tier Status Rebates)***:	
Implementation of Brand Step Therapy Program	2.0%

***Commercial Plans which have adopted a standard PBM formulary as its Plan Formulary, but have not adopted product exclusion recommendations of PBM, will receive the incremental additional Base Rebate listed above if all Competitive Products (including the "Products") recommended for exclusion by PBM are subject to a step therapy, requiring the use of all products in the Competitive Category that are listed and adjudicated at the Preferred Brand Tier on the Plan Formulary prior to the use of any excluded Competitive Product(s) (the "Brand Step Therapy Program").

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

Plans that meet the requirements of A-4 and any additional conditions applicable to Product in Section B will be eligible for Price Protection and Additional Rebate per Section I. below.

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****ONLY** the following NDCs of Lantus and Lantus SoloSTAR will be Rebate eligible:

PRODUCT	PACKAGE SIZE	NDC#	UNIT
Lantus®	10 ml Vial	00088-2220-33	1mL
Lantus® SoloSTAR®	5 x 3ml Pen	00088-2219-05	1mL

A-5 Multaq:

REBATES FOR MULTAQ® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)	
Plan Type	Listed Formulary Status
Managed Plans - 2T	
Managed Plans -3T	
Highly Managed Plans	
Closed Plans	

Rebates are not intended to encourage or require PBM to recommend or require a change to a Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

A-6 Synvisc:

REBATES FOR SYNVISC OR SYNVISC ONE (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)						
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 4 Manufacturer Status	Listed Formulary Status	Third Tier Status
Managed Plans - 2T						
Managed Plans -3T						
Highly Managed Plans						
Closed Plans*						
Incremental Base Rebate For Additional Controls: (Not Applicable to Third Tier Status Rebates)						
One Manufacturer of Competitive Products Excluded						
Two Manufacturers of Competitive Products Excluded						
Three Manufacturers of Competitive Products Excluded						

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program:	
Implementation of Brand Step Therapy Program***	

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Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

A-7 Toujeo:

REBATES FOR TOUJEO® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Plan Type	1 of 1 Manufacturer Status**	1 of 2 Manufacturer Status**	1 of 3 Manufacturer Status**	Third Tier Status
Managed Plans - 2T	53.0%	51.0%	48.0%	N/A
Managed Plans - 3T	53.0%	51.0%	48.0%	N/A
Highly Managed Plans	53.0%	51.0%	48.0%	N/A
Closed Plans*	53.0%	51.0%	48.0%	N/A
Incremental Base Rebate For Additional Controls: (Payable on all Plan types)				
<i>One Manufacturer of Competitive Products is Excluded</i>				2.0%
<i>Two Manufacturers of Competitive Products are Excluded and applies only for 1 of 1 Manufacturer Status***</i>				3.0%

*Managed Plans-2T, Managed Plans-3T, and Highly Managed Plans that adopt the Advanced Control Formulary™ will also be eligible for Closed Plan Rebate rates. Additionally, for clarity, Plans which do not otherwise qualify as Closed Plans, will receive Closed Plan Rebate rates with respect to the Toujeo Competitive Category where Plan has opted into Exclusion Plan status for the Toujeo Competitive Category.

**Within the Long-Acting Insulin Category as defined in Section O.

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program (Not Applicable to Third Tier Status Rebates)***:	
<i>Implementation of Brand Step Therapy Program</i>	2.0%

***Commercial Plans which have adopted a standard PBM formulary as its Plan Formulary, but have not adopted product exclusion recommendations of PBM, will receive the incremental additional Base Rebate listed above if all Competitive Products recommended for exclusion by PBM are subject to a step therapy, requiring the use of all products in the Competitive Category (including the "Products") that are listed and adjudicated at the Preferred Brand Tier on the Plan Formulary prior to the use of any excluded Competitive Product(s) (the "Brand Step Therapy Program").

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

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Plans that meet the requirements of A-7 and any additional conditions applicable to Product in Section B will be eligible for Price Protection and Additional Rebate per Section I. below.

A-8 Toujeo:

REBATES FOR TOUJEO®¹ (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Plan Type	1 of 1 Manufacturer Status**	1 of 2 Manufacturer Status**	1 of 3 Manufacturer Status**	Third Tier Status
Managed Plans - 2T	57.0%	55.0%	53.0%	N/A
Managed Plans -3T	57.0%	55.0%	53.0%	N/A
Highly Managed Plans	57.0%	55.0%	53.0%	N/A
Closed Plans*	57.0%	55.0%	53.0%	N/A
Incremental Base Rebate For Additional Controls: (Payable on all Plan types)				
<i>One Manufacturer of Competitive Products is Excluded</i>			2.0%	
<i>Two Manufacturers of Competitive Products are Excluded and applies only for 1 of 1 Manufacturer Status</i>			3.0%	

*Managed Plans-2T, Managed Plans-3T, and Highly Managed Plans that adopt the Advanced Control Formulary™ will also be eligible for Closed Plan Rebate rates. Additionally, for clarity, Plans which do not otherwise qualify as Closed Plans, will receive Closed Plan Rebate rates with respect to the Toujeo Competitive Category where Plan has opted into Exclusion Plan status for the Toujeo Competitive Category.

¹ Plan must have all NDCs, strengths, package sizes of Lantus, Lantus SoloSTAR and Toujeo on the Preferred Brand Tier without restrictions to be eligible for this Rebate.

** Within the Long-Acting Insulin Category as defined in Section O.

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program (Not Applicable to Third Tier Status Rebates)***:	
<i>Implementation of Brand Step Therapy Program</i>	2.0%

***Commercial Plans which have adopted a standard PBM formulary as its Plan Formulary, but have not adopted product exclusion recommendations of PBM, will receive the incremental additional Base Rebate listed above if all Competitive Products recommended for exclusion by PBM are subject to a step therapy, requiring the use of all products in the Competitive Category (including the "Products") that are listed and adjudicated at the Preferred Brand Tier on the Plan Formulary prior to the use of any excluded Competitive Product(s) (the "Brand Step Therapy Program").

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

Plans that meet the requirements of A-8 and any additional conditions applicable to Product in Section B will be eligible for Price Protection and Additional Rebate per Section I. below.

A-9 Soliqua 100/33:

REBATES FOR SOLIQUA 100/33 (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	Listed Formulary Status	Third Tier Status
Managed Plans - 2T	38.0%	38.0%	N/A	N/A
Managed Plans -3T	38.0%	38.0%	N/A	N/A
Highly Managed Plans	38.0%	38.0%	N/A	N/A
Closed Plans*	38.0%	38.0%	N/A	N/A
Incremental Base Rebate For Additional Controls: (Not Applicable to Third Tier Status Rebates)				
One Manufacturer of Competitive Products Excluded				3.0%

*Managed Plans-2T, Managed Plans-3T, and Highly Managed Plans that adopt the Advanced Control Formulary™ will also be eligible for Closed Plan Rebate rates. Additionally, for clarity, Plans which do not otherwise qualify as Closed Plans, will receive Closed Plan Rebate rates with respect to the Soliqua 100/33™ Competitive Category where Plan has opted into Exclusion Plan status for the Soliqua 100/33™ Competitive Category.

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

Plans that meet the requirements of A-9 and any additional conditions applicable to Product in Section B, will be eligible for Price Protection and Additional Rebate per Section I. below.

A-10 Cerezyme:

REBATES FOR CEREZYME (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)						
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 4 Manufacturer Status	Listed Formulary Status	Third Tier Status
Managed Plans - 2T						
Managed Plans -3T						
Highly Managed Plans						
Closed Plans*						

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

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A-11 Cerdelga:

REBATES FOR CERDELGA (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)						
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 4 Manufacturer Status	Listed Formulary Status	Third Tier Status
Managed Plans - 2T						
Managed Plans -3T						
Highly Managed Plans						
Closed Plans*						

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

A-12 Adlyxin:

REBATES FOR ADLYXIN (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)						
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 4 Manufacturer Status	Listed Formulary Status	Third Tier Status
Managed Plans - 2T						
Managed Plans -3T						
Highly Managed Plans						
Closed Plans*						

Rebates are not intended to encourage or require PBM to recommend or require a change to an Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

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B. Conditions to Base Rebates – Commercial Plans. Unless otherwise provided below, the payment of Rebates for Products dispensed to Members of Commercial Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee, are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof:

1. The Product is covered by the Plan in the applicable status set forth in the above Rebate tables.
2. All NDCs of Product are adjudicated at the Preferred Brand Tier, provided this condition shall not apply to Products eligible for Third Tier Status Rebates [REDACTED]
3. [REDACTED]
4. The Product is not subject to Disadvantaging, provided this condition shall not apply to Third Tier Status Rebates [REDACTED] and Utilization Management (Generic Step) for Soliqua 100/33 (as further described in Section 8 below).
5. No product in the same Competitive Category of Product shall be adjudicated at a lower Member co-pay amount or co-insurance percentage level, except this condition shall not apply to Products eligible for Third Tier Status Rebates [REDACTED]
6. [REDACTED]
7. [REDACTED]
8. With respect to Rebates payable on Soliqua 100/33: Soliqua 100/33 shall not be subject to any restrictions other than those consistent with the approved labeling, except that any step edit prior to Soliqua 100/33 use is permitted if such step edit is deemed clinically appropriate by the PBM or Plan's P&T Committee. The following prior authorizations and step edits may be applied, upon approval by the PBM or Plan's P&T Committee, to the entire Competitive Category:
 - a. A patient has demonstrated prior use of one generic oral antidiabetic medication including for example: metformin, sulfonurea, or TZD; and
 - b. A patient has used a basal insulin product in the past 180 days; or
 - c. A patient has used in the past 180 days either:
 - i. lixisenatide [prior to Soliqua 100/33 TM] or liraglutide [prior to Xultophy 100/3.6]; or
 - ii. any GLP-1 product in the past 180 days;
 - d. A quantity limit that allows no less than 60 units per day.

C. Base Rebates – Commercial Plans. The following Base Rebate Percentages shall be applicable for Products dispensed to Members of Commercial Plans:

Ambien:

BASE REBATES FOR AMBIEN® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)	
Plan Type	Third Tier Status
Managed Plans - 2T	[REDACTED]
Managed Plans - 3T	
Highly Managed Plans	
Closed Plans*	

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Ambien CR:**BASE REBATES FOR AMBIEN CR®
(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)**

Plan Type	Third Tier Status
Managed Plans - 2T	
Managed Plans - 3T	
Highly Managed Plans	
Closed Plans*	

Lovenox:**BASE REBATES FOR LOVENOX***®
(INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)**

Plan Type	Third Tier Status
Managed Plans - 2T	
Managed Plans - 3T	
Highly Managed Plans	
Closed Plans*	

***ONLY the following NDCs will be Rebate eligible:

Product	NDC
Lovenox® (enoxaparin sodium injection), 30 mg prefilled syringe with automatic safety device (blue label)	0075-0624-30
Lovenox® (enoxaparin sodium injection), 40 mg prefilled syringe with automatic safety device (yellow Label)	0075-0620-40
Lovenox® (enoxaparin sodium injection), 60 mg prefilled syringe with automatic safety device (orange label)	0075-0621-60
Lovenox® (enoxaparin sodium injection), 80 mg prefilled syringe with automatic safety device (brown label)	0075-0622-80
Lovenox® (enoxaparin sodium injection), 100 mg prefilled syringe with automatic safety device (black label)	0075-0623-00

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Lovenox® (enoxaparin sodium injection), 120 mg prefilled syringe with automatic safety device (lavender lbl)	0075-2912-01
Lovenox® (enoxaparin sodium injection), 150 mg prefilled syringe with automatic safety device (navy blue lbl)	0075-2915-01
Lovenox® (enoxaparin sodium injection) 300 mg/3 mL (100 mg/mL) , Multiple Dose Vial	0075-0626-03

- D. Conditions to Base Rebates - Commercial Plans.** The payment of Rebates set forth in Section C for Products dispensed to Members of Commercial Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof:

1. The Product is adjudicated at the Non-Preferred Brand Tier or better.
2. The Product is not subject to Exclusion.
3. The Product is not subject to Disadvantaging, provided this condition shall not apply to Third Tier Status Rebates.

- E. Base Rebates – Managed Medicaid Plans.** The following Base Rebate Percentages shall be applicable for Products dispensed to Members of Managed Medicaid Plans:

Managed Medicaid Unrestricted Plans:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Admelog*	11.0%	1.0%	N/A	N/A
Soliqua 100/33	4.0%	4.0%	N/A	N/A
Toujeo***	12.5%	12.5%	12.5%	2.5%

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BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Admelog	N/A	N/A	N/A	N/A
Soliqua 100/33	4.0%	4.0%	N/A	N/A
Toujeo***	2.5%	2.5%	2.5%	N/A

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Admelog	N/A	N/A	N/A	N/A
Soliqua 100/33	4.0%	4.0%	N/A	N/A
Toujeo***	2.5%	2.5%	2.5%	N/A

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F. Conditions to Base Rebates – Managed Medicaid Plans. The payment of Rebates for Products dispensed to Members of Managed Medicaid Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof:

1. The Product is covered by the Plan in the applicable Status set forth in the above Rebate tables.
2. All NDC's of Product are adjudicated at the Preferred Brand Tier except as set forth in this Section F of Exhibit C-6.
3. The Product is not subject to Disadvantaging, except for Managed Medicaid Restricted Level 1 and Restricted Level 2 Plans.
4. As additional condition for [REDACTED]
5. [REDACTED]
6. With respect to Rebates payable on Soliqua 100/33: Soliqua 100/33 shall not be subject to any restrictions other than those consistent with the approved labeling, except that any step edit prior to Soliqua 100/33 use is permitted if such step edit is deemed clinically appropriate by the PBM or Plan's P&T Committee. The following prior authorizations and step edits may be applied, upon approval by the PBM or Plan's P&T Committee, to the entire Competitive Category:
 - a. A patient has demonstrated prior use of one generic oral antidiabetic medication including for example: metformin, sulfonurea, or TZD; and
 - b. A patient has used a basal insulin product in the past 180 days; or
 - c. A patient has used in the past 180 days either:
 - i. lixisenatide [prior to Soliqua 100/33] or liraglutide [prior to Xultophy 100/3.6]; or
 - ii. any GLP-1 product in the past 180 days;
 - d. A quantity limit that allows no less than 60 units per day; and

G. Rebates – Discount Card Plans.

Product Name	NDC#	Strength	Package Size
All Products	All NDCs	All Strengths	All Package Sizes

H. Conditions to Base Rebates - Discount Card Plans. The payment of Rebates for Products dispensed to Members of Discount Card Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof.

I. [REDACTED]

"Additional Rebate" shall mean, for each NDC of Product, the dollar amount by which NEP exceeds Maximum NEP for applicable Calendar Year.

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"Baseline WAC" means the WAC as of the date(s) reflected in the tables below for each NDC of a Product for each period. The Baseline WAC for any NDC introduced after January 1, 2018 shall be mutually agreed upon by both parties based on introduction date of the Product into the marketplace.

"Maximum NEP" means, for each NDC of a Product, the Price Increase Limitation Price minus the Base Rebate as calculated for the Calendar Year.

"NEP" means, for each NDC of a Product, WAC minus the Base Rebate.

"Price Increase Limitation Price" means Baseline WAC increased by the Price Increase Limitation Rate for each Calendar Year.

"Price Increase Limitation Rate" shall mean:

For Commercial Plans:
For Managed Medicaid Plans:
For Discount Card Plans:

For The Additional Rebate shall be payable effective as of the date which the Maximum NEP for the Calendar Year was exceeded and such Additional Rebate shall remain in effect for the remaining term of the Calendar Year. For avoidance of doubt, any Additional Rebate will be calculated using the Baseline WAC as described in the example below and will replace the prior Additional Rebate. Notwithstanding the foregoing, any Additional Rebate incurred from one Calendar Year, will not carry forward to the following Calendar Year. The following example is for illustrative purposes only and assumes a Price Increase Limitation Rate of 5%:

Year 1 Effective 1/1/18-12/31/18

Baseline WAC: \$100.00
Base Rebate Percentage: 30%
NEP: $\$70.00 = \$100.00 - (\$100.00 \times 30\%)$
Price Increase Limitation Rate: 5%
Price Increase Limitation Price: $\$105.00 = \$100.00 + (\$100.00 \times 5\%)$
Maximum NEP: $\$73.50 = \$105.00 - (\$105.00 \times 30\%)$

If WAC increased by 8% on 6/1/2018:

New WAC: \$108.00
Base Rebate: $\$32.40 = (\$108.00 \times 30\%)$
NEP: $\$75.60 = (\$108.00 - \$32.40)$
Maximum NEP: $\$73.50 = \$105.00 - (\$105.00 \times 30\%)$
Additional Rebate: $\$2.10 (\$75.60 \text{ NEP} - \$73.50 \text{ Maximum NEP})$
Total Rebate: $\$34.50 (\$32.40 \text{ Base Rebate} + \$2.10 \text{ Additional Rebate})$

Year 2 (Effective 1/1/19-12/31/19)

If WAC increased by 8% Effective 1/1/19:

New WAC: $\$116.64 (\$108.00 \times 1.08)$
Base Rebate: $\$34.99 = (\$116.64 \times 30\%)$
New NEP: $\$81.65 = (\$116.64 \text{ WAC} - \$34.99 \text{ Base Rebate})$
Price Increase Limitation Rate: 5%

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Price Increase Limitation Price: \$113.40 = (\$108 plus 5%)
Maximum NEP: \$79.38 = (\$113.40 x 30% Base Rebate)
Additional Rebate: \$2.27 (\$81.65 NEP - \$79.38 Maximum NEP)
Total Rebate: \$39.36 (\$34.99 Base Rebate + \$ 2.27 Additional Rebate)

J. Additional Rebate for Cumulative Price Protection [REDACTED] is available only to Commercial, and Managed Medicaid Plans for the Products and listed below in the Price Limitation Rate Tables. If the WAC of any NDC of Product listed on a Plan Formulary on a Preferred Brand Tier, unless otherwise noted, is increased, regardless of whether such increase occurs after the Baseline WAC Date or prior to or after the start of the then current Calendar Year, such that it exceeds the Price Increase Limitation Price, then Manufacturer shall pay an Additional Rebate (which shall be in addition to the Base Rebates described above). For purposes of this Section, the following definitions shall apply:

“Additional Rebate” shall mean, for each NDC of Product, the dollar amount by which NEP exceeds Maximum NEP.

“Baseline WAC” for each NDC of a Product (i) means the WAC as of the date(s) reflected in the tables below and (ii) for each subsequent Calendar Year, the WAC in effect as of the last day of the prior Calendar Year. The Baseline WAC for any NDC introduced after April 1, 2017 shall be mutually agreed upon by both parties based on introduction date of the Product into the marketplace.

PRODUCT	DATE
Admelog - Managed Medicaid Plans	06/30/17
Apidra/Apidra SoloSTAR - Commercial Plans (A-1)	06/30/17
Multaq - Commercial Plans (A-5)	[REDACTED]
Lantus/Lantus SoloSTAR - Commercial Plans (A-3, A-4)	06/30/17
Synvisc/Synvisc-One - Commercial Plans (A-6)	[REDACTED]
Toujeo SoloSTAR - Commercial Plans (A-7) (A-8)	06/30/17
Toujeo Max SoloSTAR - Commercial Plans (A-7) (A-8) +++	05/01/18
Soliqua 100/33 - Commercial Plans (A-9)	03/31/17
Cerezyme - Commercial Plans (A-10), Managed Medicaid Plans	[REDACTED]
Cerdelga - Commercial Plans (A-11), Managed Medicaid Plans	[REDACTED]
Adlyxin - Commercial (A-12)	[REDACTED]

+++ Toujeo® Max SoloSTAR® (“New Toujeo NDC”) is a newly FDA-approved package size of Toujeo® SoloSTAR® which was added to the Agreement effective May 1, 2018. Effective August 1, 2018, the Additional Rebate for such New Toujeo NDC will be calculated consistent with the cumulative price protection terms above except that the Maximum NEP per Unit for such New Toujeo NDC in a Calendar Year will be the Maximum NEP per Unit in such Calendar Year of the Existing Toujeo NDC (defined below). As used herein, the term “Existing Toujeo NDC” refers to the Toujeo® SoloSTAR® NDC covered in the Agreement on the day prior to the date that the New Toujeo NDC was added to the Agreement. The intent of this paragraph is to ensure that the WAC per Unit of the New Toujeo NDC net of all applicable Rebates, expressed in dollars, shall equal the WAC per Unit of the Existing Toujeo NDC net of all applicable Rebates, expressed in dollars.

“Maximum NEP” means, for each NDC of a Product, the Price Increase Limitation Price minus the Base Rebate as calculated for each Calendar Year.

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Price Increase Limitation Rate Table - For Commercial Plans only:

Product	Commercial Plans Price Increase Limitation %
Apidra/Apidra SoloSTAR (1 of 1 Manufacturer Status) – for A-1	13.0%
Apidra/Apidra SoloSTAR (1 of 2 Manufacturers, All Manufacturers or Third Tier Status) – for A-1	7.5%
Lantus/Lantus SoloSTAR – for A-3	3.0%
Lantus/Lantus SoloSTAR – for A-4	0.0%
Synvisc/Synvisc-One – for A-6	
Toujeo SoloSTAR/Toujeo Max SoloSTAR – for A-7+++	6.0%
Toujeo SoloSTAR/Toujeo Max SoloSTAR – for A-8+++	3.0%
Soliqua 100/33 – for A-9	9.0%
Cerezyme – for A-10	
Ceredelga – for A-11	
Adlyxin – for A-12	
Multaq – for A-5	

+++ Toujeo® Max SoloSTAR® (“New Toujeo NDC”) is a newly FDA-approved package size of Toujeo® SoloSTAR® which was added to the Agreement effective May 1, 2018. Effective August 1, 2018, the Additional Rebate for such New Toujeo NDC will be calculated consistent with the cumulative price protection terms above except that the Maximum NEP per Unit for such New Toujeo NDC in a Calendar Year will be the Maximum NEP per Unit in such Calendar Year of the Existing Toujeo NDC (defined below). As used herein, the term “Existing Toujeo NDC” refers to the Toujeo® SoloSTAR® NDC covered in the Agreement on the day prior to the date that the New Toujeo NDC was added to the Agreement. The intent of this paragraph is to ensure that the WAC per Unit of the New Toujeo NDC net of all applicable Rebates, expressed in dollars, shall equal the WAC per Unit of the Existing Toujeo NDC net of all applicable Rebates, expressed in dollars.

For Managed Medicaid Plans:

Managed Medicaid Product	Price Increase Limitation %
Admelog	6.0%
Cerdelga	
Cerezyme	

For Discount Card Plans:

N/A

The Additional Rebate shall be payable effective as of the date the Price Increase Limitation Rate was exceeded and shall remain in effect for the remaining term of the Agreement. For avoidance of doubt, if WAC is increased more than once within a Calendar Year, a new Additional Rebate will be calculated for that Calendar Year. Any Additional Rebate incurred in a Calendar Year will be carried over to subsequent Calendar Years.

The following example is for illustrative purposes only, and assumes a Price Increase Limitation Rate of 5%:

Year 1

Baseline WAC: \$100
Base Rebate Percentage: 30%
NEP: \$70 = (\$100 - 30% Base Rebate)
Price Increase Limitation Rate: 5%
Price Increase Limitation Price: \$105 = (\$100 plus 5%)
Maximum NEP: \$73.50 = (\$105 - 30% Base Rebate)

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If WAC Increased By 8%:

New WAC: \$108

Base Rebate: \$32.40 = (\$108 * 30%)

New NEP: \$75.60 = (\$108 WAC - \$32.40 Base Rebate)

Additional Rebate: \$2.10 (\$75.60 NEP - \$73.50 Maximum NEP)

Total Rebate: \$34.50 (\$32.40 Base Rebate + \$2.10 Additional Rebate)

Year 2

Baseline WAC: \$108.00

Base Rebate Percentage: 30%

NEP: \$75.60 = (\$108 - 30% Base Rebate)

Price Increase Limitation Rate: 5%

Price Increase Limitation Price: \$113.40 = (\$108 plus 5%)

Maximum NEP: \$79.38 = (\$113.40 - 30% Base Rebate)

Total Rebate: \$34.50 (\$32.40 Base Rebate + \$2.10 Year 1 Additional Rebate)

If WAC increased by 8%:

New WAC: \$116.64

Base Rebate: \$34.99 = (\$116.64 * 30%)

New NEP: \$81.65 = (\$116.64 WAC - \$34.99 Base Rebate)

Year 2 Additional Rebate: \$2.27 (\$81.65 NEP - \$79.38 Maximum NEP)

Year 1 Additional Rebate: \$2.10 (\$75.60 NEP - \$73.50 Maximum NEP)

Total Rebate: \$39.36 (\$34.99 Base Rebate + \$2.27 Year 2 Additional Rebate + \$2.10 Year 1 Additional Rebate)

K. Calculation of Rebates.

Base Rebates shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] of the applicable Quarter multiplied by the applicable Rebate Percentage.

Additional Rebates shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by the applicable Additional Rebate.

L. Administrative Fees. Administrative Fees shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] of the applicable Quarter multiplied by the Administrative Fee Percentage:

Product	Commercial Plan Administrative Fee Percentage	Managed Medicaid Plan Administrative Fee Percentage
Adlyxin	[REDACTED]	
Admelog	N/A	4.0%
Ambien	[REDACTED]	
Ambien CR	[REDACTED]	
Apidra® / Apidra® SoloSTAR®	4.0%	N/A
Aubagio	[REDACTED]	
Cerdelga	[REDACTED]	

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Cerezyme		
Lantus®/ Lantus® SoloSTAR®	4.0%	N/A
Lovenox®		
Multaq®		
Soliqua 100/33	4.0%	4.0%
Synvisc		
Synvisc One		
Toujeo	4.0%	2.5%

M. Manufacturer Payment Terms.

(1) Payment. Manufacturer will make payments of Rebates and Administrative Fees to PBM, in accordance to Section 3 of the Agreement, within sixty (60) days of Manufacturer's receipt of the Utilization Reports for such Quarter.

(2) Method of Payment. All payments made by Manufacturer shall be made electronically, to the bank account designated by PBM. In the event payment is not made electronically (e.g., payment is made by check), each payment due date set forth in this Section shall be automatically accelerated by seven (7) days. Except as otherwise set forth in Section 6(c), in no event shall Manufacturer offset any payment, debit account balance or other amount owing or payable by PBM to Manufacturer against any amounts payable by Manufacturer.

(3) Manufacturer Documentation. Manufacturer shall deliver to PBM, electronically and within sixty (60) days of receipt of the Utilization Reports, the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively, a reconciliation report in either of the formats set forth in Exhibit A to the Agreement.

N. Medicaid Reimbursed Claims. Manufacturer shall pay Rebates with respect to Units of Eligible Utilization of Products dispensed to Members of Managed Medicaid Plans as set forth above in "Base Rebates - Managed Medicaid Plans." Manufacturer shall have no obligation to pay Rebates with respect to Units of Products dispensed to Members for which reimbursement has been provided under a Medicaid program on a Unit basis.

P. Additional Defined Terms. For purposes of this Exhibit C-6, the following definitions shall apply:

"1 of 1 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) is listed on the Plan Formulary and no Competitive Products are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) is listed on the Plan Formulary with a Preferred Brand Tier designation and no Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation. For purposes of Lantus and Toujeo, Competitive Products shall refer to those manufacturers of Competitive Products within the Long-Acting Insulin Category and for the purposes of Aubagio shall refer to those manufacturers of Competitive Products within the branded Multiple Sclerosis oral products category.

"1 of 2 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) and the Competitive Products of only one other manufacturer are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) and the Competitive Products of only one other manufacturer are listed on the Plan Formulary with a Preferred Brand Tier designation. For purposes of Lantus and Toujeo, Competitive Products shall refer to those Competitive Products within the Long-Acting Insulin Category and for the purposes of Aubagio shall refer to those manufacturers of Competitive Products within the branded Multiple Sclerosis oral products category.

"1 of 3 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) and the Competitive Products of only two other

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manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) and the Competitive Products of only two other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation. For purposes of Lantus and Toujeo, Competitive Products shall refer to those Competitive Products within the Long-Acting Insulin Category and for the purposes of Aubagio shall refer to those manufacturers of Competitive Products within the branded Multiple Sclerosis oral products category.

"1 of 4 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) and the Competitive Products of only three other manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) and the Competitive Products of only three other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

"Advanced Control Formulary™" means a Plan Formulary with the following characteristics: (i) pharmaceutical products may be Excluded at any time during a Calendar Year; (ii) newly launched pharmaceutical products may be Excluded at launch; and (iii) products are Excluded consistent with PBM's Advanced Control Formulary™ recommendations.

"Calendar Year" means the twelve-month period that begins on January 1 and ends on December 31, and each subsequent 12 month period.

"Commercial Plan" means any Plan that is not a Managed Medicaid, SCHIP Plan or Discount Card Plan.

"Competitive Categories" means, with respect to each Product, all forms, strengths and NDCs of the following products (and associated manufacturers):



With respect to Apidra and Apidra SoloSTAR, the following products (and associated manufacturers): Apidra/Apidra SoloSTAR (sanofi-aventis U.S.), Humalog (Eli Lilly), and Novolog (Novo Nordisk). **The following premix formulations are excluded from Competitive Category;** Humalog Mix 50/50, Humalog Mix 75/25 (Eli Lilly) and Novolog Mix 70/30 (Novo Nordisk)

With respect to Admelog and Admelog SoloSTAR, the following products (and associated manufacturers): Admelog/Admelog SoloSTAR (sanofi-aventis U.S.), Apidra/Apidra SoloSTAR (sanofi-aventis U.S.), Humalog/Humalog KwikPen/Junior KwikPen (Eli Lilly), Novolog/Novolog FlexPen/Novolog FlexTouch (Novo Nordisk) and Fiasp/Fiasp FlexTouch (Novo Nordisk). **The following premix formulations are excluded from Competitive Category;** Humalog Mix 50/50, Humalog Mix 75/25 (Eli Lilly) and Novolog Mix 70/30 (Novo Nordisk).



With respect to Lantus and Lantus SoloSTAR, the following products (and associated manufacturers): Adlyxin (Sanofi), Lantus/Lantus SoloSTAR (Sanofi), Toujeo (Sanofi) and Levemir/Levemir Flexpen/Levemir Flextouch (Novo Nordisk), Tresiba (Novo Nordisk), Basaglar (Eli Lilly), Humalog Mix (Eli Lilly), Humulin Mix (Eli Lilly), Humulin N (Eli Lilly), Novolin Mix (Novo Nordisk), Novolin N (Novo Nordisk)

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Nordisk), Novolog Mix (Novo Nordisk), Relion Mix (Relion), Relion N (Relion), Byetta (AstraZeneca), Bydureon (AstraZeneca), Farxiga (AstraZeneca), Invokana (Janssen), Invokamet (Janssen), Janumet (Merck), Janumet XR (Merck), Januvia (Merck), Jardiance (Boehringer Ingelheim/Eli Lilly), Jenaducto (Boehringer Ingelheim/Eli Lilly), Juvisync (Merck), Kazano (Takeda), Kombiglyze XR (AstraZeneca), Nesina (Takeda), Onglyza (AstraZeneca), Oseni (Takeda), Ozempic (Novo Nordisk), Ryzodeg Mix (Novo Nordisk), Tanzeum (Glaxo SmithKline), Tradjenta (Eli Lilly), Trulicity (Eli Lilly), Victoza (Novo Nordisk), Xigduo XR (AstraZeneca), and Glyxambi (Boehringer Ingelheim/Eli Lilly).

With respect to Long-Acting Insulin Category, the following products (and associated manufacturers): Lantus (Sanofi), Lantus SoloSTAR (Sanofi), Toujeo (Sanofi), Levemir (Novo Nordisk), Levemir Flexpen (Novo Nordisk), Levemir Flextouch (Novo Nordisk), Tresiba (Novo Nordisk) and Basaglar (Eli Lilly).

With respect to Toujeo SoloStar and Toujeo Max SoloSTAR, the following products (and associated manufacturers): Adlyxin (Sanofi), Lantus/Lantus SoloSTAR (Sanofi), Toujeo (Sanofi) and Levemir/Levemir Flexpen/Levemir Flextouch (Novo Nordisk), Tresiba (Novo Nordisk), Basaglar (Eli Lilly), Humalog Mix (Eli Lilly), Humulin Mix (Eli Lilly), Humulin N (Eli Lilly), Novolin Mix (Novo Nordisk), Novolin N (Novo Nordisk), Novolog Mix (Novo Nordisk), Relion Mix (Relion), Relion N (Relion), Byetta (Bristol-Myers Squibb), Bydureon (Bristol-Myers Squibb), Farxiga (AstraZeneca), Invokana (Janssen), Invokamet (Janssen), Janumet (Merck), Janumet XR (Merck), Januvia (Merck), Jardiance (Boehringer Ingelheim/Eli Lilly), Jenaducto (Boehringer Ingelheim/Eli Lilly), Juvisync (Merck), Kazano (Takeda), Kombiglyze XR (Bristol-Myers Squibb), Nesina (Takeda), Onglyza (Bristol-Myers Squibb), Ozempic (Novo Nordisk), Oseni (Takeda), Ryzodeg Mix (Novo Nordisk), Tanzeum (Glaxo SmithKline), Tradjenta (Eli Lilly), Trulicity (Eli Lilly), Victoza (Novo Nordisk), Xigduo XR (AstraZeneca), and Glyxambi (Boehringer Ingelheim/Eli Lilly).

"Disadvantage" means intervention activities focused on specific prescriptions for a Product where such activities are reasonably intended to discourage the utilization of the Product in favor of a Competitive Product including, but not limited to, (i) NDC blocking, (ii) prior authorization requirements, (iii) quantity limits (iv), counter-detailing or counter-promoting, (v) switching or therapeutic substitution, and (vi) step edits. This activity list shall not be deemed to be exhaustive. The term "Disadvantage" shall not include actions taken for reasons of (a) clinical appropriateness, (b) Member safety, (c) generic substitution or intervention involving another product that is rated by FDA as AB-rated generic equivalent to a Product, (d) adjudication of a generic product at a more favorable co-pay or co-insurance level or the listing of a generic product on a Plan Formulary at a more favorable co-pay tier, or (e) Genetic Testing or Validation which has been mutually agreed upon and listed in Exhibit E.

"Excluded" or "Exclusion" means that a product is subject to NDC block or prior authorization based on medical necessity and/or failure of all formulary products in the relevant Competitive Category, or is otherwise not covered by the Plan subject in each case to exceptions for medical necessity and such exceptions as may be required to comply with applicable law.

"Exclusion Plan" means a Plan that subjects branded pharmaceutical products in the relevant or other Competitive Category to Exclusion. Plans may elect to opt in or opt out of the Exclusion process.

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"Genetic Testing or Validation" means activities undertaken to determine whether a prescribed treatment regimen is medically appropriate or optimal for individuals with a certain genetic make-up, which activities may include, without limitation, advising prescribers of the availability of a genetic test for patients who fall within the specified risk category for a pharmaceutical product, genetic testing, and, where indicated by genetic make-up, advising patients and prescribers of alternate drugs or therapies that are more appropriate or effective.

"Listed Formulary Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that the Product is listed on the Plan Formulary on a Preferred Brand Tier or Specialty Tier, if applicable, and does not include a Product listed on a Non-Preferred Brand Tier or Third Tier Status.

"Non-Preferred Brand Tier" means the adjudication tier with the highest Member co-pay amount or co-insurance percentage for branded, single source, prescription products.

"Preferred Brand Tier" means the adjudication tier with the lowest Member co-pay amount or co-insurance percentage for branded prescription products; provided the Preferred Brand Tier shall not include a lower adjudication tier that may be implemented by a Plan for maintenance drugs, preventative drugs or other drugs selected by a Plan so long as such lower adjudication tier does not include branded prescription products.

"Specialty Product" means a branded prescription product for which the Member pays a co-payment or co-insurance amount that results in the Member paying more per prescription than the Member would have paid had the product been on the Preferred Brand Tier.

"Specialty Tier" means the adjudication tier for branded, single source prescription Specialty Products and other very high cost products with the lowest Member co-pay amount or co-insurance percentage for branded, single source Specialty Products in the Product's Competitive Category. A Specialty Product will not be considered adjudicated in Specialty Tier where any branded, single source Specialty Product in the same Competitive Category is adjudicated at a lower Member co-pay amount or co-insurance percentage level.

"Step-Edit" means a requirement that branded, single source, prescription products in a Preferred Brand Tier must first be tried by the Member before the branded, single source prescription product in the Non-Preferred Brand Tier will be covered by a Plan provided, however, that "Step Edit" shall not include requirements imposed for reasons of clinical appropriateness, Member safety, or Genetic Testing or Validation.

"Third Tier Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that the Product is adjudicated at the Non-Preferred Brand Tier. For avoidance of doubt, Managed Plans - 2T are not eligible for Third Tier Status Rebates, unless indicated in the applicable Rebate tables above.

"Tiered Formulary" means a Plan Formulary that lists both the names of the pharmaceutical products and their adjudication tier status.

"Template Plan" means a Plan that has adopted the PBM Drug List and/or Advanced Control FormularyTM as the Plan Formulary. Plans may elect to opt in or opt out of the Exclusion process.

"Traditional Formulary" means a Plan Formulary that lists the names of the pharmaceutical products but not their adjudication tier status.

"Utilization Management (Generic Step)" shall mean step edits are applied equally to all Products in the Competitive Category requiring the use of a generic product first and there is no influence on the prescribing choice of the physician.

"Utilization Management (prior authorization)" shall mean the Product is subject to a prior authorization. Although the prescriber must go through the prior authorization process to determine if the Product is being prescribed in accordance with the label indications, there may or may not be an influence on the prescribing choice of the physician.

EXHIBIT C
PRALUENT REBATES & ADMINISTRATIVE FEES
Effective January 1, 2019 - December 31, 2020
(unless otherwise specified below)

Reference to "Product(s)" and all terms and conditions set forth in this Exhibit C apply only to Praluent® (alirocumab) injection, for subcutaneous use.

Rebates are not intended to encourage or require PBM to recommend or require a change to a Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

- A. **Base Rebates – Commercial Plans.** The following Base Rebate Percentages shall be applicable for Products dispensed by the Participating Pharmacies to Members of Commercial Plans.:

BASE REBATES FOR PRALUENT (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)			
Formulary Type		1 of 1 Manufacturer Status	1 of 2 Manufacturer Status
Non-Exclusion Formulary*	No Cost Share Differential		
	Cost Share Differential		
Exclusion Formulary*			
ACF / ACSF Closed Plans*			

INCREMENTAL ADDITIONAL BASE REBATE FOR ADOPTION OF EXCLUSIONS (Not Applicable to Non-Preferred Brand Tier Status Rebates)	
One Manufacturer of Competitive Products Excluded	

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program: (Not Applicable to Non-Preferred Brand Tier Status)	
Implementation of Brand Step Therapy Program**	

- B. **Conditions to Rebates - Commercial Plans.** The payment of Rebates for Products dispensed by Participating Pharmacies to Members of Commercial Plan is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that if these conditions are not met for the entire Quarter, Rebates shall be payable on utilization of that Product for only that portion of the Quarter in which such conditions were met:
1. The Product is covered by the Plan in the applicable Status set forth in the above Rebate tables.
 2. All Product NDC's are adjudicated at the Preferred Brand Tier or the Specialty Tier. Non-Preferred Brand Tier Status for Product is not eligible for Rebates.
 3. The Product is not subject to Disadvantaging.

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4. All Product NDC's must adjudicate on the same tier with equal or better position as any other Brand product in the Competitive Category.

C. **Competitive Reimbursement.**

[REDACTED]

Net Reimbursement" means all reimbursement, rebates, price discounts, and administrative fees paid on a per Unit basis, expressed as percentage of WAC per Unit, without regard to how such amounts are characterized, with respect to such Product.

Annually, SA shall certify to PBM, in writing that the Net Reimbursements paid to PBM during the prior four (4) contract quarters have been paid in compliance with the requirements of this provision. PBM may confirm SA's compliance via audit no more frequently than once every twelve (12) months during the term of this Agreement with such audit to be performed by a mutually agreed upon third party auditor upon execution of a confidentiality agreement. The result of such audit will be communicated to PBM as either "compliant" or "non-compliant". If audit results in a compliant finding then PBM shall be responsible for the full cost of the audit. If the audit results in a non-compliant finding then SA shall be responsible for the full cost of the audit. In such event, the auditor may report the extent of non-compliance for the purpose of allowing PBM to amend this Agreement, and the parties shall amend this Agreement to reflect a Net Reimbursement paid to PBM that is consistent with the requirements of this provision.

- D. **Base Rebates – Managed Medicaid Plans.** The following Base Rebate Percentages shall be applicable for Products dispensed by Participating Pharmacies to Members of Managed Medicaid Plans:

Managed Medicaid Unrestricted Plans:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)		
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status
Praluent	[REDACTED]	

Managed Medicaid Restricted Level 1 Plans:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)		
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status
Praluent	[REDACTED]	

Managed Medicaid Restricted Level 2 Plans:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)		
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status
Praluent	[REDACTED]	

[REDACTED]

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E. Conditions to Rebates - Managed Medicaid and SCHIP Plans. The payment of Rebates for Products dispensed by Participating Pharmacies to Members of Managed Medicaid and SCHIP Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that if these conditions are not met for the entire Quarter, Rebates shall be payable on utilization of that Product for only that portion of the Quarter in which such conditions were met:

1. The Product is covered by the Plan in the applicable Status set forth in the above Rebate tables.
2. The Product is adjudicated at the Preferred Brand Tier or Specialty Tier.
3. The Product is not subject to Disadvantaging.

F. Rebates – Discount Card Plans.

Product Name	NDC#	Strength	Package Size	Base Rebate Percentage
Praluent	All NDCs	All Strengths	All Package Sizes	

G. Conditions to Rebates - Discount Card Plans. The payment of Rebates for Products dispensed to Members of Discount Card Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof.

H. Additional Rebate for Cumulative Price Protection. If the WAC of any NDC of a Product listed on a Plan Formulary on a Preferred Brand Tier or Specialty Tier is increased regardless of whether such increase occurs, after the Baseline WAC Date or prior to or after the start of the then current Calendar Year, such that it exceeds the Price Increase Limitation Price for that Calendar Year, then Manufacturer shall pay an Additional Rebate (which shall be in addition to the Base Rebates described above) for that Calendar Year. For purposes of this Section, the following definitions shall apply.

“Additional Rebate” shall mean, for each NDC of Product, the dollar amount by which NEP exceeds Maximum NEP for applicable Calendar Year.

“Baseline WAC” means the WAC for each NDC of a Product (i) in effect as of the date(s) reflected in the table below,

The Baseline WAC for any new NDC introduced for any existing Product included in the Agreement shall be mutually agreed upon by both parties based on introduction date of the Product into the marketplace.

Product	Baseline WAC Date
Praluent	

“Maximum NEP” means, for each NDC of a Product, the Price Increase Limitation Price for each Calendar Year minus the Base Rebate as calculated for each Calendar Year.

“NEP” means, for each NDC of a Product, WAC minus the Base Rebate.

“Price Increase Limitation Price” means Baseline WAC increased by the Price Increase Limitation Rate as calculated for each Calendar Year.

“Price Increase Limitation Rate” means:

For Commercial Plans:

Calendar Years:

For Discount Card Plans:

N/A

For Managed Medicaid and SCHIP Plans:

Calendar Years:

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The Additional Rebate shall be payable effective as of the date the Price Increase Limitation Rate was exceeded and shall remain in effect for the remaining term of the Agreement. For avoidance of doubt, if WAC is increased more than once within a Calendar Year, a new Additional Rebate will be calculated for that Calendar Year. Any Additional Rebate incurred in a Calendar Year will be carried over to subsequent Calendar Years.

The following example is for illustrative purposes only, and assumes a Price Increase Limitation Rate of 5%:

Year 1

Baseline WAC: \$100
 Base Rebate Percentage: 30%
 NEP: \$70 = (\$100 - 30% Base Rebate)
 Price Increase Limitation Rate: 5%
 Price Increase Limitation Price: \$105 = (\$100 plus 5%)
 Maximum NEP: \$73.50 = (\$105 - 30% Base Rebate)

If WAC increased by 8%

New WAC: \$108
 Base Rebate: \$32.40 = (\$108 * 30%)
 New NEP: \$75.60 = (\$108 WAC - \$32.40 Base Rebate)
 Additional Rebate: \$2.10 (\$75.60 NEP - \$73.50 Maximum NEP)
 Total Rebate: \$34.50 (\$32.40 Base Rebate + \$2.10 Additional Rebate)

Year 2

Baseline WAC: \$108.00
 Base Rebate Percentage: 30%
 NEP: \$75.60 = (\$108 - 30% Base Rebate)
 Price Increase Limitation Rate: 5%
 Price Increase Limitation Price: \$113.40 = (\$108 Plus 5%)
 Maximum NEP: \$79.38 = (\$113.40 - 30% Base Rebate)
 Total Rebate: \$34.50 (\$32.40 Base Rebate + \$2.10 Year 1 Additional Rebate)

If WAC increased by 8%:

New WAC: \$116.64
 Base Rebate: \$34.99 = (\$116.64 * 30%)
 New NEP: \$81.65 = (\$116.64 WAC - \$34.99 Base Rebate)
 Year 2 Additional Rebate: \$2.27 (\$81.65 NEP - \$79.38 Maximum NEP)
 Year 1 Additional Rebate: \$2.10 (\$75.60 NEP - \$73.50 Maximum NEP)
 Total Rebate: \$39.36 (\$34.99 Base Rebate + \$2.27 Year 2 Additional Rebate + \$2.10 Year 1 Additional Rebate)

I. Calculation of Rebates.

Base Rebates shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] of the applicable Quarter multiplied by the applicable Base Rebate Percentage.

Additional Rebates shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by the applicable Additional Rebate.

J. Administrative Fees. Administrative Fees shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] of the applicable Quarter multiplied by the Administrative Fee Percentage:

Administrative Fee Percentage
4.00%

K. Manufacturer Payment Terms.

(1) Payment. Manufacturer will make payments of Rebates and Administrative Fees to PBM, in accordance to Section 3 of the Agreement, within sixty (60) days of Manufacturer's receipt of the Utilization Reports for such Quarter.

(2) Method of Payment. All payments made by Manufacturer shall be made electronically, to the bank account designated by PBM. In the event payment is not made electronically (e.g., payment is made by check), each payment due date set forth in this Section shall be automatically accelerated by seven (7) days. Except as otherwise set forth in Section 6(c), in no event shall Manufacturer offset any payment, debit account balance or other amount owing or payable by PBM to Manufacturer against any amounts payable by Manufacturer.

(3) Manufacturer Documentation. Manufacturer shall deliver to PBM, electronically and within sixty (60) days of receipt of the Utilization Reports, the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively, a reconciliation report in either of the formats set forth in Exhibit A to the Agreement.

L. Medicaid Reimbursed Claims. Manufacturer shall pay Rebates with respect to Units of Eligible Utilization of Products dispensed to Members of Managed Medicaid and SCHIP Plans as set forth above in paragraph D, "Base Rebates - Managed Medicaid and SCHIP Plans", paragraph E "Conditions to Rebates - Managed Medicaid and SCHIP Plans", "paragraph H "Price Protection and Additional Rebate" and in paragraph I "Calculation of Rebates", above. Manufacturer shall have no obligation to pay Rebates with respect to Units of Products dispensed to Members for which reimbursement has been provided under a Medicaid program on a Unit basis.

[REDACTED]

N. Additional Defined Terms. For purposes of this Exhibit C, the following definitions shall apply:

"1 of 1 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Manufacturer's Product is listed on the Plan Formulary and no Competitive Products of other manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, the Manufacturer's Product is listed on the Plan Formulary with a Preferred Brand Tier designation and no Competitive Products of other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 2 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Product and the Competitive Products of only one other manufacturer are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, the Manufacturer's Product and the Competitive Products of only one other manufacturer are listed on the Plan Formulary with a Preferred Brand Tier designation.

"Advanced Control Formulary™" or "ACF" means a Plan Formulary with the following characteristics: (i) pharmaceutical products may be Excluded at any time during a calendar year; (ii) newly launched pharmaceutical products may be Excluded at launch; and (iii) products are Excluded consistent with PBM's Advanced Control Formulary™ recommendations.

"Advanced Control Specialty Formulary™" or "ACSF" means a Plan Formulary with the following characteristics: (i) Specialty products may be Excluded at any time during a calendar year; (ii) newly launched Specialty products may be Excluded at launch; and (iii) products are Excluded consistent with PBM's Advanced Control Specialty Formulary™ recommendations.

"Calendar Year" means the twelve-month period that begins on January 1 and ends on December 31, and each subsequent 12 month period.

"Closed Plan" means a Plan that, provides reimbursement only for those branded, single source prescription products that qualify as Closed Plan Reimbursable Products, subject to medical necessity exceptions and any exceptions required by law. If a Plan has exercised formulary control in a Competitive Category through either (i) Exclusion, NDC block, and new to market block, or (ii) medical necessity prior authorization on a Competitive Product, such Competitive Category shall qualify as closed, and the Plan shall be eligible to earn Closed Plan Rebates in that Competitive Category.

"Closed Plan Reimbursable Product" means a pharmaceutical product that is: (i) listed on the formulary or drug list adopted by the Plan, including any other broad formulary that may supplement a preferred drug list; and (ii) eligible for reimbursement under the Plan.

"Commercial Plan" means any Plan that is not a Managed Medicaid, or a Discount Card Plan.

"Competitive Categories" means, with respect to each Product, the following products (and associated manufacturers):

"Disadvantage" means intervention activities focused on specific prescriptions for a Product where such activities are reasonably intended to discourage the utilization of the Product in favor of a Competitive Product including, but not limited to, (i) NDC blocking, (ii) prior authorization requirements, (iii) quantity limits (iv), counter-detailing or counter-promoting, (v) switching or therapeutic substitution, and (vi) step edits. [REDACTED] The term "Disadvantage" shall not include actions taken for reasons of (a) clinical appropriateness, (b) Member safety, (c) generic substitution or intervention involving another product that is rated by FDA as AB-rated generic equivalent to a Product, (d) adjudication of a generic product at a more favorable co-pay or co-insurance level or the listing of a generic product on a Plan Formulary at a more favorable co-pay tier, or (e) Genetic Testing or Validation which has been mutually agreed upon and listed in Exhibit E.

"Exclusion Formulary" means a Plan Formulary that is supported by clinical programs or formulary management programs and has demonstrated the ability to Exclude products in at least ten (10) categories.

"Excluded" or "Exclusion" means that a Competitive Product is subject to NDC block or prior authorization based on medical necessity and/or failure of all formulary products in the relevant Competitive Category, or is otherwise not covered on the Plan Formulary, subject in each case to exceptions for medical necessity and such exceptions as may be required to comply with applicable law.

"Exclusion Plan" means a Plan that subjects branded pharmaceutical products in the relevant or other Competitive Category to Exclusion.

"Genetic Testing or Validation" means activities undertaken to determine whether a prescribed treatment regimen is medically appropriate or optimal for individuals with a certain genetic make-up, which activities may include, without limitation, advising prescribers of the availability of a genetic test for patients who fall within the

specified risk category for a pharmaceutical product, genetic testing, and, where indicated by genetic make-up, advising patients and prescribers of alternate drugs or therapies that are more appropriate or effective.

"High Intensity Statins" means Atorvastatin (Lipitor) 40mg to 80mg and Rosuvastatin (Crestor) 20mg to 40mg.

"Listed Formulary Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary and Quarter by Quarter basis that the Product is listed on the Plan Formulary on a Preferred Brand Tier and does not include a Product listed on a Non-Preferred Brand Tier.

"Moderate Intensity Statins" means Atorvastatin (Lipitor) 10mg to 20mg, Rosuvastatin (Crestor) 5mg to 10mg, Simvastatin (Zocor) 20mg to 40mg, Pravastatin (Pravachol) 40mg to 80mg, Lovastatin (Mevacor) 40mg, Fluvastatin XL (Lescol) 80mg, Fluvastatin 40mg twice daily and Pitavastatin (Livalo) 2mg to 4mg.

"Non-Exclusion Formulary – Cost Share Differential" means a Plan Formulary that is supported by clinical programs or formulary management programs. The Plan's benefit design employs a cost share differential between the preferred and non-preferred brand tiers.

"Non-Exclusion Formulary – No Cost Share Differential" means a Plan Formulary that is supported by clinical programs or formulary management programs. The Plan's benefit design does not employ a cost share differential between the preferred and non-preferred brand tiers.

"Non-Preferred Brand Tier" means an adjudication tier not having the lowest Member co-pay amount or co-insurance percentage for branded, single source prescription products in the Product's Competitive Category.

"Non-Preferred Brand Tier Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary and Quarter by Quarter basis, that the Product is adjudicated at the Non-Preferred Brand Tier.

"Preferred Brand Tier" means the adjudication tier with the lowest Member co-pay amount or co-insurance percentage for branded, single source prescription products in the Product's Competitive Category. A Product will not be considered adjudicated in Preferred Branded Tier where a branded, single source prescription product in the same Competitive Category is adjudicated at a lower Member co-pay amount or co-insurance percentage level.

"Specialty Product" means a pharmaceutical product, such as a biotech or biological drug that is used in the treatment of chronic, long-term or genetic disease.

"Specialty Tier" means the adjudication tier for branded, single source prescription Specialty Products and other very high cost products with the lowest Member co-pay amount or co-insurance percentage for branded, single source Specialty Products in the Product's Competitive Category. A Specialty Product will not be considered adjudicated in Specialty Tier where any branded, single source Specialty Product in the same Competitive Category is adjudicated at a lower Member co-pay amount or co-insurance percentage level.

"Tiered Formulary" means a Plan Formulary that lists both the names of the pharmaceutical and OTC products and their adjudication tier status.

"Template Plan" means a Plan that has adopted the PBM drug list as the Plan Formulary.

"Traditional Formulary" means a Plan Formulary that lists the names of the pharmaceutical and OTC products but not their adjudication tier status.

EXHIBIT C-1
REBATES & ADMINISTRATIVE FEES
Effective January 1, 2019 through December 31, 2020
(unless otherwise specified below)

Rebates are not intended to encourage or require PBM to recommend or require a change to a Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

- A. **Base Rebates – Commercial Plans.** The following Base Rebate Percentages shall be applicable for Products dispensed by a Participating Pharmacy to Members of Commercial Plans:

A-1 Apidra®/Apidra SoloSTAR:

BASE REBATES FOR APIDRA®/APIDRA® SoloSTAR® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	Listed Formulary Status	Third Tier Status
Managed Plans - 2T	66.0%	41.0%	36.0%	N/A
Managed Plans - 3T	66.0%	41.0%	36.0%	31.0%
Highly Managed Plans	66.0%	41.0%	38.0%	31.0%
Closed Plans*	66.0%	41.0%	41.0%	31.0%
Incremental Base Rebate For Additional Controls: (Not Applicable to Third Tier Status Rebates)				
<i>One Manufacturer of Competitive Products Excluded</i>				15.0%
<i>Two Manufacturers of Competitive Products Excluded</i>				15.0%

*Managed Plans-2T, Managed Plans-3T, and Highly Managed Plans that adopt the Advanced Control Formulary™ will also be eligible for Closed Plan Rebate rates. Additionally, for clarity, Plans which do not otherwise qualify as Closed Plans, will receive Closed Plan Rebate rates with respect to the Apidra/Apidra SoloSTAR Competitive Category where Plan has opted into Exclusion Plan status for the Apidra/Apidra SoloSTAR Competitive Category.

Plans that meet the requirements of A-1 and any additional conditions applicable to Product in Section B will be eligible for Price Protection and Additional Rebate per Section I. below.

A Formulary listing of "Apidra" shall mean Apidra® and Apidra SoloSTAR® are both on Formulary.

A-2 Aubagio:

BASE REBATES FOR AUBAGIO (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)					
Formulary Type		1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Non- Exclusion Formulary*	No Cost Share Differential				
	Cost Share Differential				
Exclusion Formulary*					
ACF / ACSF Closed Plans*					

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A-3 Lantus and Lantus SoloSTAR:

REBATES FOR LANTUS® and LANTUS SoloSTAR® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)						
Formulary Type		1 of 1 Manufacturer Status**	1 of 2 Manufacturer Status**	1 of 3 Manufacturer Status**	1 of 4 Manufacturer Status	Listed Formulary Status
Non-Exclusion Formulary*	No Cost Share Differential	59.0%	54.0%	51.0%	N/A	N/A
	Cost Share Differential	59.0%	54.0%	51.0%	N/A	N/A
Exclusion Formulary*		59.0%	54.0%	51.0%	N/A	N/A
ACF / ACSF Closed Plans*		59.0%	54.0%	51.0%	N/A	N/A

*CVS/caremark Clients with sixty percent (60%) or more of their Plan lives that qualify for a higher Formulary Type Rebate rate shall earn the higher rate on all Client utilization. Clients that do not meet this threshold shall be evaluated on a Plan by Plan basis. Additionally, for clarity, open Plans (i.e. Plans which do not otherwise qualify as Closed Plans), will receive Closed Plan Rebate rates for any Competitive Category which qualifies as Closed.

**Within the Long-Acting Insulin Category as defined in Section O.

INCREMENTAL ADDITIONAL BASE REBATE FOR ADOPTION OF EXCLUSIONS*:	
One Manufacturer of Competitive Products Excluded	2.0%
Two Manufacturers of Competitive Products Excluded	3.0%
Three Manufacturers of Competitive Products Excluded	N/A

*The incremental rebates above may be used for any current or future PBM exclusions. For avoidance of doubt, incremental additional Base Rebate for adoption of Exclusions shall not apply to Non Preferred Brand Tier Status Rebates.

NON-PREFERRED BRAND TIER STATUS FOR LANTUS® and LANTUS SoloSTAR®	
N/A	

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program:	
Implementation of Brand Step Therapy Program**	2.0%

**Commercial Plans which have adopted a standard PBM formulary as its Plan Formulary, but have not adopted Product exclusion recommendations of PBM, will receive the incremental additional Base Rebate listed above if all Competitive Products recommended for exclusion by PBM are subject to step therapy, requiring the use of Products in the Competitive Category that are listed and adjudicated at the Preferred Brand Tier on the Plan Formulary (the "Brand Step Therapy Program"). A custom Plan which aligns with a standard PBM formulary for the classes of drugs included in a therapy group in the Brand Step Therapy Program, will receive the incremental additional Base Rebate, upon the Plan's adoption of the Brand Step Therapy Program. For avoidance of doubt, incremental additional Base Rebate for adoption of Brand Step Therapy Program shall not apply to Non Preferred Brand Tier Status Rebates.

Plans that meet the requirements of A-3 and any additional conditions applicable to Product in Section B will be eligible for Price Protection and Additional Rebate per Section I. below.

A Formulary listing of "Lantus" shall mean Lantus® vial and Lantus SoloSTAR® are both on Formulary.

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A-4 Lantus and Lantus SoloSTAR

REBATES FOR LANTUS® and LANTUS SoloSTAR® ¹ (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)						
Formulary Type		1 of 1 Manufacturer Status**	1 of 2 Manufacturer Status**	1 of 3 Manufacturer Status**	1 of 4 Manufacturer Status	Listed Formulary Status
Non-Exclusion Formulary*	No Cost Share Differential	63.0%	58.0%	56.0%	N/A	N/A
	Cost Share Differential	63.0%	58.0%	56.0%	N/A	N/A
Exclusion Formulary*		63.0%	58.0%	56.0%	N/A	N/A
ACF / ACSF Closed Plans*		63.0%	58.0%	56.0%	N/A	N/A

*CVS/caremark Clients with sixty percent (60%) or more of their Plan lives that qualify for a higher Formulary Type Rebate rate shall earn the higher rate on all Client utilization. Clients that do not meet this threshold shall be evaluated on a Plan by Plan basis. Additionally, for clarity, open Plans (i.e. Plans which do not otherwise qualify as Closed Plans), will receive Closed Plan Rebate rates for any Competitive Category which qualifies as Closed.

¹ Plan must have all NDCs, strengths, package sizes of Lantus, Lantus SoloSTAR and Toujeo on the Preferred Brand Tier without restrictions to be eligible for this Rebate.

**Within the Long-Acting Insulin Category as defined in Section O.

INCREMENTAL ADDITIONAL BASE REBATE FOR ADOPTION OF EXCLUSIONS*:	
<i>One Manufacturer of Competitive Products Excluded</i>	2.0%
<i>Two Manufacturers of Competitive Products Excluded</i>	3.0%
<i>Three Manufacturers of Competitive Products Excluded</i>	N/A

*The incremental rebates above may be used for any current or future PBM exclusions. For avoidance of doubt, incremental additional Base Rebate for adoption of Exclusions shall not apply to Non Preferred Brand Tier Status Rebates.

NON-PREFERRED BRAND TIER STATUS FOR LANTUS® and LANTUS SoloSTAR®
N/A

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program:	
Implementation of Brand Step Therapy Program**	2.0%

**Commercial Plans which have adopted a standard PBM formulary as its Plan Formulary, but have not adopted Product exclusion recommendations of PBM, will receive the incremental additional Base Rebate listed above if all Competitive Products recommended for exclusion by PBM are subject to step therapy, requiring the use of Products in the Competitive Category that are listed and adjudicated at the Preferred Brand Tier on the Plan Formulary (the "Brand Step Therapy Program"). A custom Plan which aligns with a standard PBM formulary for the classes of drugs included in a therapy group in the Brand Step Therapy Program, will receive the incremental additional Base Rebate, upon the Plan's adoption of the Brand Step Therapy Program. For avoidance of doubt, incremental additional Base Rebate for adoption of Brand Step Therapy Program shall not apply to Non Preferred Brand Tier Status Rebates.

Plans that meet the requirements of A-4 and any additional conditions applicable to Product in Section B will be eligible for Price Protection and Additional Rebate per Section I. below.

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****ONLY** the following NDCs of Lantus and Lantus SoloSTAR will be Rebate eligible:

PRODUCT	PACKAGE SIZE	NDC#	UNIT
Lantus®	10 ml Vial	00088-2220-33	1mL
Lantus® SoloSTAR®	5 x 3ml Pen	00088-2219-05	1mL

A-5 Multaq:

REBATES FOR MULTAQ® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)	
Plan Type	
Managed Plans - 2T	
Managed Plans -3T	
Highly Managed Plans	
Closed Plans	

A-6 Synvisc:

BASE REBATES FOR SYNVISC OR SYNVISC ONE (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)					
Formulary Type		1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 4 Manufacturer Status
Non- Exclusion Formulary*	No Cost Share Differential				
	Cost Share Differential				
Exclusion Formulary*					
ACF / ACSF Closed Plans*					

**INCREMENTAL ADDITIONAL BASE REBATE FOR ADOPTION OF EXCLUSIONS:
(Payable on all Formulary Types)**

*Five Manufacturer of Competitive Products Excluded ***

*Six Manufacturers of Competitive Products Excluded ****

***Applies to only 1 of 2 Manufacturer Status

***Applies to only 1 of 1 Manufacturer Status

Incremental Additional Base Rebate For Adoption of Brand Sten Therapy Program:

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A-7 Toujeo:

REBATES FOR TOUJEO® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Plan Type	1 of 1 Manufacturer Status**	1 of 2 Manufacturer Status**	1 of 3 Manufacturer Status**	Third Tier Status
Managed Plans - 2T	53.0%	51.0%	48.0%	N/A
Managed Plans -3T	53.0%	51.0%	48.0%	N/A
Highly Managed Plans	53.0%	51.0%	48.0%	N/A
Closed Plans*	53.0%	51.0%	48.0%	N/A
Incremental Base Rebate For Additional Controls: (Payable on all Plan types)				
One Manufacturer of Competitive Products is Excluded				2.0%
Two Manufacturers of Competitive Products are Excluded and applies only for 1 of 1 Manufacturer Status***				3.0%

*Managed Plans-2T, Managed Plans-3T, and Highly Managed Plans that adopt the Advanced Control Formulary™ will also be eligible for Closed Plan Rebate rates. Additionally, for clarity, Plans which do not otherwise qualify as Closed Plans, will receive Closed Plan Rebate rates with respect to the Toujeo Competitive Category where Plan has opted into Exclusion Plan status for the Toujeo Competitive Category.

**Within the Long-Acting Insulin Category as defined in Section O.

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program (Not Applicable to Third Tier Status Rebates)***:	
Implementation of Brand Step Therapy Program	2.0%

***Commercial Plans which have adopted a standard PBM formulary as its Plan Formulary, but have not adopted product exclusion recommendations of PBM, will receive the incremental additional Base Rebate listed above if all Competitive Products recommended for exclusion by PBM are subject to a step therapy, requiring the use of all products in the Competitive Category (including the "Products") that are listed and adjudicated at the Preferred Brand Tier on the Plan Formulary prior to the use of any excluded Competitive Product(s) (the "Brand Step Therapy Program").

Plans that meet the requirements of A-7 and any additional conditions applicable to Product in Section B will be eligible for Price Protection and Additional Rebate per Section I. below.

A-8 Toujeo:

REBATES FOR TOUJEO® ¹ (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)						
Formulary Type		1 of 1 Manufacturer Status**	1 of 2 Manufacturer Status**	1 of 3 Manufacturer Status**	1 of 4 Manufacturer Status	Listed Formulary Status
Non-Exclusion Formulary*	No Cost Share Differential	60.0%	55.0%	53.0%	N/A	N/A
	Cost Share Differential	60.0%	55.0%	53.0%	N/A	N/A
Exclusion Formulary*		60.0%	55.0%	53.0%	N/A	N/A
ACF / ACSF Closed Plans*		60.0%	55.0%	53.0%	N/A	N/A

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*CVS/caremark Clients with sixty percent (60%) or more of their Plan lives that qualify for a higher Formulary Type Rebate rate shall earn the higher rate on all Client utilization. Clients that do not meet this threshold shall be evaluated on a Plan by Plan basis. Additionally, for clarity, open Plans (i.e. Plans which do not otherwise qualify as Closed Plans), will receive Closed Plan Rebate rates for any Competitive Category which qualifies as Closed.

¹ Plan must have all NDCs, strengths, package sizes of Lantus, Lantus SoloSTAR and Toujeo on the Preferred Brand Tier without restrictions to be eligible for this Rebate.

**Within the Long-Acting Insulin Category as defined in Section O.

INCREMENTAL ADDITIONAL BASE REBATE FOR ADOPTION OF EXCLUSIONS ¹ :	
<i>One Manufacturer of Competitive Products Excluded</i>	2.0%
<i>Two Manufacturers of Competitive Products Excluded</i>	3.0%
<i>Three Manufacturers of Competitive Products Excluded</i>	N/A

*The incremental rebates above may be used for any current or future PBM exclusions. For avoidance of doubt, incremental additional Base Rebate for adoption of Exclusions shall not apply to Non Preferred Brand Tier Status Rebates.

NON-PREFERRED BRAND TIER STATUS FOR TOUJEO ¹
N/A

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program:	
<i>Implementation of Brand Step Therapy Program**</i>	2.0%

**Commercial Plans which have adopted a standard PBM formulary as its Plan Formulary, but have not adopted Product exclusion recommendations of PBM, will receive the incremental additional Base Rebate listed above if all Competitive Products recommended for exclusion by PBM are subject to step therapy, requiring the use of Products in the Competitive Category that are listed and adjudicated at the Preferred Brand Tier on the Plan Formulary (the "Brand Step Therapy Program"). A custom Plan which aligns with a standard PBM formulary for the classes of drugs included in a therapy group in the Brand Step Therapy Program, will receive the incremental additional Base Rebate, upon the Plan's adoption of the Brand Step Therapy Program. For avoidance of doubt, incremental additional Base Rebate for adoption of Brand Step Therapy Program shall not apply to Non Preferred Brand Tier Status Rebates.

Plans that meet the requirements of A-8 and any additional conditions applicable to Product in Section B will be eligible for Price Protection and Additional Rebate per Section I. below.

A-9 Soliqua 100/33:

BASE REBATES FOR SOLIQUA (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Formulary Type		1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	Listed Formulary Status
Non-Exclusion Formulary*	No Cost Share Differential	40.0%	40.0%	N/A
	Cost Share Differential	40.0%	40.0%	N/A
Exclusion Formulary*		40.0%	40.0%	N/A
ACF / ACSF / Closed Plans*		40.0%	40.0%	N/A

*CVS/caremark Clients with sixty percent (60%) or more of their Plan lives that qualify for a higher Formulary Type Rebate rate shall earn the higher rate on all Client utilization. Clients that do not meet this threshold shall be evaluated on a Plan by Plan basis. Additionally, for clarity, open Plans (i.e. Plans which do not otherwise qualify as Closed Plans), will receive Closed Plan Rebate rates for any Competitive Category which qualifies as Closed.

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INCREMENTAL ADDITIONAL BASE REBATE FOR ADOPTION OF EXCLUSIONS: (Payable on all Formulary Types)	
<i>One Manufacturer of Competitive Products Excluded</i>	3.0%
<i>Two Manufacturers of Competitive Products Excluded</i>	N/A
<i>Three Manufacturers of Competitive Products Excluded</i>	N/A

NON-PREFERRED BRAND TIER STATUS FOR SOLIQUA
N/A

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program:	
<i>Implementation of Brand Step Therapy Program**</i>	3.0%

**Commercial Plans which have adopted a standard PBM formulary as its Plan Formulary, but have not adopted Product exclusion recommendations of PBM, will receive the incremental additional Base Rebate listed above if all Competitive Products recommended for exclusion by PBM are subject to step therapy, requiring the use of Products in the Competitive Category that are listed and adjudicated at the Preferred Brand Tier on the Plan Formulary (the "Brand Step Therapy Program"). A custom Plan which aligns with a standard PBM formulary for the classes of drugs included in a therapy group in the Brand Step Therapy Program, will receive the incremental additional Base Rebate, upon the Plan's adoption of the Brand Step Therapy Program. For avoidance of doubt, incremental additional Base Rebate for adoption of Brand Step Therapy Program shall not apply to Non Preferred Brand Tier Status Rebates.

A-10 Cerezyme:

REBATES FOR CEREZYME (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)						
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 4 Manufacturer Status	Listed Formulary Status	Third Tier Status
Managed Plans - 2T						
Managed Plans - 3T						
Highly Managed Plans						
Closed Plans*						

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A-11 Cerdelga:

REBATES FOR CERDELGA (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)						
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 4 Manufacturer Status	Listed Formulary Status	Third Tier Status
Managed Plans - 2T						
Managed Plans -3T						
Highly Managed Plans						
Closed Plans*						

A-12 Adlyxin:

REBATES FOR ADLYXIN (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)						
Plan Type	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 4 Manufacturer Status	Listed Formulary Status	Third Tier Status
Managed Plans - 2T						
Managed Plans -3T						
Highly Managed Plans						
Closed Plans*						

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B. Conditions to Base Rebates – Commercial Plans. Unless otherwise provided below, the payment of Rebates for Products dispensed to Members of Commercial Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee, are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof:

1. The Product is covered by the Plan in the applicable status set forth in the above Rebate tables.
2. All NDCs of Product are adjudicated at the Preferred Brand Tier or the Specialty Tier, provided this condition shall not apply to Products eligible for Non-Preferred Brand Tier Status or Third Tier Status Rebates.
3. [REDACTED]
4. The Product is not subject to Disadvantaging, provided, however, [REDACTED]
[REDACTED]
[REDACTED] this condition shall not apply to Utilization Management (Generic Step) for Soliqua 100/33 (as further described in Section 8 below).
5. No product in the same Competitive Category of Product shall be adjudicated at a lower Member co-pay amount or co-insurance percentage level, except this condition shall not apply to Products eligible for Non Preferred Brand Tier Status Rebates or Third Tier Status Rebates.
6. [REDACTED]
7. [REDACTED]
8. With respect to Rebates payable on Soliqua 100/33, Soliqua 100/33 shall not be subject to any restrictions other than those consistent with the approved labeling, except that any step edit prior to Soliqua 100/33 use is permitted if such step edit is deemed clinically appropriate by the PBM or Plan's P&T Committee. The following prior authorizations and step edits may be applied, upon approval by the PBM or Plan's P&T Committee, to the entire Competitive Category:
 - a. A patient has demonstrated prior use of one generic oral antidiabetic medication including for example: metformin, sulfonurea, or TZD; and
 - b. A patient has used a basal insulin product in the past 180 days; or
 - c. A patient has used in the past 180 days either:
 - i. lixisenatide [prior to Soliqua 100/33 TM] or liaglutide [prior to Xultophy 100/3.6]; or
 - ii. any GLP-1 product in the past 180 days;
 - d. A quantity limit that allows no less than 60 units per day.

C. Base Rebates – Commercial Plans. The following Base Rebate Percentages shall be applicable for Products dispensed to Members of Commercial Plans:

Ambien:

BASE REBATES FOR AMBIEN® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)	
Plan Type	Third Tier Status
Managed Plans - 2T	[REDACTED]
Managed Plans - 3T	
Highly Managed Plans	
Closed Plans*	

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Ambien CR:

BASE REBATES FOR AMBIEN CR® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)	
Plan Type	Third Tier Status
Managed Plans - 2T	
Managed Plans - 3T	
Highly Managed Plans	
Closed Plans*	

Lovenox:

BASE REBATES FOR LOVENOX***® (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)	
Plan Type	Third Tier Status
Managed Plans - 2T	
Managed Plans - 3T	
Highly Managed Plans	
Closed Plans*	

***ONLY the following NDCs will be Rebate eligible:

Product	NDC
Lovenox® (enoxaparin sodium injection), 30 mg prefilled syringe with automatic safety device (blue label)	0075-0624-30
Lovenox® (enoxaparin sodium injection), 40 mg prefilled syringe with automatic safety device (yellow Label)	0075-0620-40
Lovenox® (enoxaparin sodium injection), 60 mg prefilled syringe with automatic safety device (orange label)	0075-0621-60
Lovenox® (enoxaparin sodium injection), 80 mg prefilled syringe with automatic safety device (brown label)	0075-0622-80
Lovenox® (enoxaparin sodium injection), 100 mg prefilled syringe with automatic safety device (black label)	0075-0623-00

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Lovenox® (enoxaparin sodium injection), 120 mg prefilled syringe with automatic safety device (lavender lbl)	0075-2912-01
Lovenox® (enoxaparin sodium injection), 150 mg prefilled syringe with automatic safety device (navy blue lbl)	0075-2915-01
Lovenox® (enoxaparin sodium injection) 300 mg/3 mL (100 mg/mL), Multiple Dose Vial	0075-0626-03

- D. Conditions to Base Rebates - Commercial Plans.** The payment of Rebates set forth in Section C for Products dispensed to Members of Commercial Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof:

1. The Product is adjudicated at the Non-Preferred Brand Tier or better.
2. The Product is not subject to Exclusion.
3. The Product is not subject to Disadvantaging, provided this condition shall not apply to Third Tier Status Rebates.

- E. Base Rebates – Managed Medicaid Plans.** The following Base Rebate Percentages shall be applicable for Products dispensed to Members of Managed Medicaid Plans:

Managed Medicaid Unrestricted Plans:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Adlyxin				
Admelog*	11.0%	1.0%	N/A	N/A
Aubagio**				
Cerdelga				
Cerezyme				
Soliqua 100/33	4.0%	4.0%	N/A	N/A
Synvisc				
Synvisc One				
Toujeo***	12.5%	12.5%	12.5%	2.5%

*For Admelog and Toujeo only, in the event of FDA approval of a bio-similar as substitutable, SA and PBM agree that, on SA's request, the parties shall meet to renegotiate a revision to the Base Rebates for the remainder of 2020. If the parties are unable to agree upon revised Rebate rates reflective of the impact of such event, SA shall have the right to terminate these rates effective as of the date the parties suspend negotiations or the effective date of the market availability of the substitutable bio-similar, whichever is later.

**Within the branded Multiple Sclerosis oral products Category as defined in Section O.

***Within the Long-Acting Insulin Category as defined in Section O. For Admelog and Toujeo only, in the event of FDA approval of a bio-similar as substitutable, SA and PBM agree that, on SA's request, the parties shall meet to renegotiate a revision to the Base Rebates for the remainder of 2020. If the parties are unable to agree upon revised Rebate rates reflective of the impact of such event, SA shall have the right to terminate these rates effective as of the date the parties suspend negotiations or the effective date of the market availability of the substitutable bio-similar, whichever is later.

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Managed Medicaid Restricted Level 1 Plan:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Adlyxin				
Admelog	N/A	N/A	N/A	N/A
Aubagio**				
Cerdelga				
Cerezyme				
Soliqua 100/33	4.0%	4.0%	N/A	N/A
Synvisc				
Synvisc One				
Toujeo***	2.5%	2.5%	2.5%	2.5%

**Within the branded Multiple Sclerosis oral products Category as defined in Section O.

***Within the Long-Acting Insulin Category as defined in Section O. For Admelog and Toujeo only, in the event of FDA approval of a bio-similar as substitutable, SA and PBM agree that, on SA's request, the parties shall meet to renegotiate a revision to the Base Rebates for the remainder of 2020. If the parties are unable to agree upon revised Rebate rates reflective of the impact of such event, SA shall have the right to terminate these rates effective as of the date the parties suspend negotiations or the effective date of the market availability of the substitutable bio-similar, whichever is later.

Managed Medicaid Restricted Level 2 Plan:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Adlyxin				
Admelog	N/A	N/A	N/A	N/A
Aubagio**				
Cerdelga				
Cerezyme				
Lovenox				
Soliqua 100/33	4.0%	4.0%	N/A	N/A
Synvisc				
Synvisc One				
Toujeo***	2.5%	2.5%	2.5%	2.5%

**Within the branded Multiple Sclerosis oral products Category as defined in Section O.

***Within the Long-Acting Insulin Category as defined in Section O. For Admelog and Toujeo only, in the event of FDA approval of a bio-similar as substitutable, SA and PBM agree that, on SA's request, the parties shall meet to renegotiate a revision to the Base Rebates for the remainder of 2020. If the parties are unable to agree upon revised Rebate rates reflective of the impact of such event, SA shall have the right to terminate these rates effective as of the date the parties suspend negotiations or the effective date of the market availability of the substitutable bio-similar, whichever is later.

- F. **Conditions to Base Rebates – Managed Medicaid Plans.** The payment of Rebates for Products dispensed to Members of Managed Medicaid Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof:

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1. The Product is covered by the Plan in the applicable Status set forth in the above Rebate tables.
2. All NDC's of Product are adjudicated at the Preferred Brand Tier except as set forth in this Section F of Exhibit C-1.
3. The Product is not subject to Disadvantaging, except for Managed Medicaid Restricted Level 1 and Restricted Level 2 Plans.



- 5.
6. With respect to Rebates payable on Soliqua 100/33: Soliqua 100/33 shall not be subject to any restrictions other than those consistent with the approved labeling, except that any step edit prior to Soliqua 100/33 use is permitted if such step edit is deemed clinically appropriate by the PBM or Plan's P&T Committee. The following prior authorizations and step edits may be applied, upon approval by the PBM or Plan's P&T Committee, to the entire Competitive Category:
 - a. A patient has demonstrated prior use of one generic oral antidiabetic medication including for example: metformin, sulfonurea, or TZD; and
 - b. A patient has used a basal insulin product in the past 180 days; or
 - c. A patient has used in the past 180 days either:
 - i. lixisenatide [prior to Soliqua 100/33] or liraglutide [prior to Xultophy 100/3.6]; or
 - ii. any GLP-1 product in the past 180 days;
 - d. A quantity limit that allows no less than 60 units per day; and

G. Rebates – Discount Card Plans.

Product Name	NDC#	Strength	Package Size	Base Rebate Percentage
All Products	All NDCs	All Strengths	All Package Sizes	N/A

- H. Conditions to Base Rebates – Discount Card Plans.** The payment of Rebates for Products dispensed to Members of Discount Card Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof.

- I. Additional Rebate for Cumulative Price Protection** is available only to Commercial, and Managed Medicaid Plans for the Products and listed below in the Price Limitation Rate Tables. If the WAC of any NDC of Product listed on a Plan Formulary on a Preferred Brand Tier, unless otherwise noted, is increased, regardless of whether such increase occurs after the Baseline WAC Date or prior to or after the start of the then current Calendar Year, such that it exceeds the Price Increase Limitation Price, then Manufacturer shall pay an Additional Rebate (which shall be in addition to the Base Rebates described above). For purposes of this Section, the following definitions shall apply:

“Additional Rebate” shall mean, for each NDC of Product, the dollar amount by which NEP exceeds Maximum NEP.

“Baseline WAC” for each NDC of a Product (i) means the WAC as of the date(s) reflected in the tables below and (ii) for each subsequent Calendar Year, the WAC in effect as of the last day of the prior Calendar Year. The Baseline WAC for any NDC introduced after April 1, 2017 shall be mutually agreed upon by both parties based on introduction date of the Product into the marketplace.

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PRODUCT	DATE
Admelog - Managed Medicaid Plans	06/30/17
Apidra/Apidra SoloSTAR - Commercial Plans (A-1)	06/30/17
Aubagio - Commercial Plans, Managed Medicaid Plans (A-2)	
Lantus/Lantus SoloSTAR - Commercial Plans (A-3, A-4)	06/30/17
Multaq - Commercial Plans (A-5)	
Synvisc/Synvisc-One - Commercial Plans (A-6)	
Toujeo SoloSTAR - Commercial Plans (A-7) (A-8)	06/30/17
Toujeo Max SoloSTAR - Commercial Plans (A-7) (A-8) +++	05/01/18
Soliqua 100/33 - Commercial Plans (A-9)	03/31/17
Cerezyme - Commercial Plans (A-10), Managed Medicaid Plans	
Cerdelga - Commercial Plans (A-11), Managed Medicaid Plans	
Adlyxin - Commercial (A-12)	

+++ Toujeo® Max SoloSTAR® ("New Toujeo NDC") is a newly FDA-approved package size of Toujeo® SoloSTAR® which was added to the Agreement effective May 1, 2018. Effective August 1, 2018, the Additional Rebate for such New Toujeo NDC will be calculated consistent with the cumulative price protection terms above except that the Maximum NEP per Unit for such New Toujeo NDC in a Calendar Year will be the Maximum NEP per Unit in such Calendar Year of the Existing Toujeo NDC (defined below). As used herein, the term "Existing Toujeo NDC" refers to the Toujeo® SoloSTAR® NDC covered in the Agreement on the day prior to the date that the New Toujeo NDC was added to the Agreement. The intent of this paragraph is to ensure that the WAC per Unit of the New Toujeo NDC net of all applicable Rebates, expressed in dollars, shall equal the WAC per Unit of the Existing Toujeo NDC net of all applicable Rebates, expressed in dollars.

"Maximum NEP" means, for each NDC of a Product, the Price Increase Limitation Price minus the Base Rebate as calculated for each Calendar Year.

Price Increase Limitation Rate Table - For Commercial Plans only:

Product	Commercial Plans Price Increase Limitation %
Apidra/Apidra SoloSTAR (1 of 1 Manufacturer Status) - for A-1	13.0%
Apidra/Apidra SoloSTAR (1 of 2 Manufacturers, All Manufacturers or Third Tier Status) - for A-1	7.5%
Aubagio - for A-2	
Lantus/Lantus SoloSTAR - for A-3	3.0%
Lantus/Lantus SoloSTAR - for A-4	0.0%
Multaq - for A-5	
Synvisc/Synvisc-One - for A-6	
Toujeo SoloSTAR/Toujeo Max SoloSTAR - for A-7+++	6.0%
Toujeo SoloSTAR/Toujeo Max SoloSTAR - for A-8+++	3.0%
Soliqua 100/33 - for A-9	6.0%
Cerezyme - for A-10	
Cerdelga - for A-11	
Adlyxin - for A-12	

+++ Toujeo® Max SoloSTAR® ("New Toujeo NDC") is a newly FDA-approved package size of Toujeo® SoloSTAR® which was added to the Agreement effective May 1, 2018. Effective August 1, 2018, the Additional Rebate for such New Toujeo NDC will be calculated consistent with the cumulative price protection terms above except that the Maximum NEP per Unit for such New Toujeo NDC in a Calendar Year will be the Maximum NEP per Unit in such Calendar Year of the Existing Toujeo NDC (defined below). As used herein, the term "Existing Toujeo NDC" refers to the Toujeo® SoloSTAR® NDC covered in the Agreement on the day prior to the date that the New Toujeo NDC was added to the Agreement. The intent of this paragraph is to ensure that the WAC per Unit of the New Toujeo NDC

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net of all applicable Rebates, expressed in dollars, shall equal the WAC per Unit of the Existing Toujeo NDC net of all applicable Rebates, expressed in dollars.

For Managed Medicaid Plans:

Managed Medicaid Product	Price Increase Limitation %
Admelog	6.0%
Aubagio	
Cerdelga	
Cerezyme	

For Discount Card Plans:

N/A

The Additional Rebate shall be payable effective as of the date the Price Increase Limitation Rate was exceeded and shall remain in effect for the remaining term of the Agreement. For avoidance of doubt, if WAC is increased more than once within a Calendar Year, a new Additional Rebate will be calculated for that Calendar Year. Any Additional Rebate incurred in a Calendar Year will be carried over to subsequent Calendar Years.

The following example is for illustrative purposes only, and assumes a Price Increase Limitation Rate of 5%:

Year 1

Baseline WAC: \$100
Base Rebate Percentage: 30%
NEP: \$70 = (\$100 - 30% Base Rebate)
Price Increase Limitation Rate: 5%
Price Increase Limitation Price: \$105 = (\$100 plus 5%)
Maximum NEP: \$73.50 = (\$105 - 30% Base Rebate)

If WAC Increased By 8%:

New WAC: \$108
Base Rebate: \$32.40 = (\$108 * 30%)
New NEP: \$75.60 = (\$108 WAC - \$32.40 Base Rebate)
Additional Rebate: \$2.10 (\$75.60 NEP - \$73.50 Maximum NEP)
Total Rebate: \$34.50 (\$32.40 Base Rebate + \$2.10 Additional Rebate)

Year 2

Baseline WAC: \$108.00
Base Rebate Percentage: 30%
NEP: \$75.60 = (\$108 - 30% Base Rebate)
Price Increase Limitation Rate: 5%
Price Increase Limitation Price: \$113.40 = (\$108 plus 5%)
Maximum NEP: \$79.38 = (\$113.40 - 30% Base Rebate)
Total Rebate: \$34.50 (\$32.40 Base Rebate + \$2.10 Year 1 Additional Rebate)

If WAC increased by 8%:

New WAC: \$116.64
Base Rebate: \$34.99 = (\$116.64 * 30%)
New NEP: \$81.65 = (\$116.64 WAC - \$34.99 Base Rebate)
Year 2 Additional Rebate: \$2.27 (\$81.65 NEP - \$79.38 Maximum NEP)
Year 1 Additional Rebate: \$2.10 (\$75.60 NEP - \$73.50 Maximum NEP)
Total Rebate: \$39.36 (\$34.99 Base Rebate + \$2.27 Year 2 Additional Rebate + \$2.10 Year 1 Additional Rebate)

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J. Calculation of Rebates.

Base Rebates shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] of the applicable Quarter multiplied by the applicable Rebate Percentage.

Additional Rebates shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by the applicable Additional Rebate.

K. Administrative Fees. Administrative Fees shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] day of the applicable Quarter multiplied by the Administrative Fee Percentage:

Product	Commercial Plan Administrative Fee Percentage	Managed Medicaid Plan Administrative Fee Percentage
Adlyxin	[REDACTED]	[REDACTED]
Admelog	N/A	4.0%
Ambien	[REDACTED]	[REDACTED]
Ambien CR	[REDACTED]	[REDACTED]
Apidra® / Apidra® SoloSTAR®	4.0%	N/A
Aubagio	[REDACTED]	[REDACTED]
Cerdelga	[REDACTED]	[REDACTED]
Cerezyme	[REDACTED]	[REDACTED]
Lantus®/ Lantus® SoloSTAR®	4.0%	N/A
Lovenox®	[REDACTED]	[REDACTED]
Multaq®	[REDACTED]	[REDACTED]
Soliqua 100/33	4.0%	4.0%
Synvisc	[REDACTED]	[REDACTED]
Synvisc One	[REDACTED]	[REDACTED]
Toujeo	4.0%	2.5%

L. Manufacturer Payment Terms.

(1) **Payment.** Manufacturer will make payments of Rebates and Administrative Fees to PBM, in accordance to Section 3 of the Agreement, within sixty (60) days of Manufacturer's receipt of the Utilization Reports for such Quarter.

(2) **Method of Payment.** All payments made by Manufacturer shall be made electronically, to the bank account designated by PBM. In the event payment is not made electronically (e.g., payment is made by check), each payment due date set forth in this Section shall be automatically accelerated by seven (7) days. Except as otherwise set forth in Section 6(c), in no event shall Manufacturer offset any payment, debit account balance or other amount owing or payable by PBM to Manufacturer against any amounts payable by Manufacturer.

(3) **Manufacturer Documentation.** Manufacturer shall deliver to PBM, electronically and within sixty (60) days of receipt of the Utilization Reports, the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively, a reconciliation report in either of the formats set forth in Exhibit A to the Agreement.

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- M. Medicaid Reimbursed Claims.** Manufacturer shall pay Rebates with respect to Units of Eligible Utilization of Products dispensed to Members of Managed Medicaid Plans as set forth above in “Base Rebates - Managed Medicaid Plans.” Manufacturer shall have no obligation to pay Rebates with respect to Units of Products dispensed to Members for which reimbursement has been provided under a Medicaid program on a Unit basis.

O. Additional Defined Terms. For purposes of this Exhibit C-1, the following definitions shall apply:

“1 of 1 Manufacturer Status” means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer’s Product(s) is listed on the Plan Formulary and no Competitive Products are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer’s Product(s) is listed on the Plan Formulary with a Preferred Brand Tier designation and no Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation. For purposes of Lantus and Toujeo, Competitive Products shall refer to those manufacturers of Competitive Products within the Long-Acting Insulin Category and for the purposes of Aubagio shall refer to those manufacturers of Competitive Products within the branded Multiple Sclerosis oral products category.

“1 of 2 Manufacturer Status” means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer’s Product(s) and the Competitive Products of only one other manufacturer are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer’s Product(s) and the Competitive Products of only one other manufacturer are listed on the Plan Formulary with a Preferred Brand Tier designation. For purposes of Lantus and Toujeo, Competitive Products shall refer to those Competitive Products within the Long-Acting Insulin Category and for the purposes of Aubagio shall refer to those manufacturers of Competitive Products within the branded Multiple Sclerosis oral products category.

“1 of 3 Manufacturer Status” means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer’s Product(s) and the Competitive Products of only two other manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer’s Product(s) and the Competitive Products of only two other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation. For purposes of Lantus and Toujeo, Competitive Products shall refer to those Competitive Products within the Long-Acting Insulin Category and for the purposes of Aubagio shall refer to those manufacturers of Competitive Products within the branded Multiple Sclerosis oral products category.

“1 of 4 Manufacturer Status” means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer’s Product(s) and the Competitive Products of only three other manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer’s Product(s) and the Competitive Products of only three other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

“Advanced Control Formulary™” or “ACF” means a Plan Formulary with the following characteristics: (i) pharmaceutical products may be Excluded at any time during a Calendar Year; (ii) newly launched pharmaceutical products may be Excluded at launch; and (iii) products are Excluded consistent with PBM’s Advanced Control Formulary™ recommendations.

“Advanced Control Specialty Formulary™” or “ACSF” means a Plan Formulary with the following characteristics: (i) Specialty products may be Excluded at any time during a Calendar Year; (ii) newly launched Specialty products may be Excluded at launch; and (iii) products are Excluded consistent with PBM’s Advanced Control Specialty Formulary™ recommendations.

“Calendar Year” means the twelve-month period that begins on January 1 and ends on December 31, and each subsequent 12 month period.

"Closed Plan" means a Plan that, provides reimbursement only for those branded, single source prescription products that qualify as Closed Plan Reimbursable Products, subject to medical necessity exceptions and any exceptions required by law. If a Plan has exercised formulary control in a Competitive Category through either (i) Exclusion, NDC block, and new to market block, or (ii) medical necessity prior authorization on a Competitive Product, such Competitive Category shall qualify as closed, and the Plan shall be eligible to earn Closed Plan Rebates in that Competitive Category.

"Closed Plan Reimbursable Product" means a pharmaceutical product that is: (i) listed on the formulary or drug list adopted by the Plan, including any other broad formulary that may supplement a preferred drug list; and (ii) eligible for reimbursement under the Plan.

"Commercial Plan" means any Plan that is not a Managed Medicaid, SCHIP Plan or Discount Card Plan.

"Competitive Categories" means, with respect to each Product, all forms, strengths and NDCs of the following products (and associated manufacturers):



With respect to Apidra and Apidra SoloSTAR, the following products (and associated manufacturers): Apidra/Apidra SoloSTAR (sanofi-aventis U.S.), Humalog (Eli Lilly), and Novolog (Novo Nordisk). **The following premix formulations are excluded from Competitive Category:** Humalog Mix 50/50, Humalog Mix 75/25 (Eli Lilly) and Novolog Mix 70/30 (Novo Nordisk)

With respect to Admelog and Admelog SoloSTAR, the following products (and associated manufacturers): Apidra (Sanofi), FIASP (Novo Nordisk), Humalog (Eli Lilly), Humalog Mix (Eli Lilly), Novolog (Novo Nordisk) and Novolog Mix (Novo Nordisk).



With respect to Lantus and Lantus SoloSTAR, the following products (and associated manufacturers): Adlyxin (Sanofi), Lantus/Lantus SoloSTAR (Sanofi), Toujeo (Sanofi) and Levemir/Levemir Flexpen/Levemir Flextouch (Novo Nordisk), Tresiba (Novo Nordisk), Basaglar (Eli Lilly), Humalog Mix (Eli Lilly), Humulin Mix (Eli Lilly), Humulin N (Eli Lilly), Novolin Mix (Novo Nordisk), Novolin N (Novo Nordisk), Novolog Mix (Novo Nordisk), Relion Mix (Relion), Relion N (Relion), Byetta (AstraZeneca), Bydureon (AstraZeneca), Farxiga (AstraZeneca), Invokana (Janssen), Invokamet (Janssen), Janumet (Merck), Janumet XR (Merck), Januvia (Merck), Jardiance (Boehringer Ingelheim/Eli Lilly), Jenaducto (Boehringer Ingelheim/Eli Lilly), Juvisync (Merck), Kazano (Takeda), Kombiglyze XR (AstraZeneca), Nesina (Takeda), Onglyza (AstraZeneca), Oseni (Takeda), Ozempic (Novo Nordisk), Ryzodeg Mix (Novo Nordisk), Tanzeum (Glaxo SmithKline), Tradjenta (Eli Lilly), Trulicity (Eli Lilly), Victoza (Novo Nordisk), Xigduo XR (AstraZeneca), and Glyxambi (Boehringer Ingelheim/Eli Lilly).

With respect to Long-Acting Insulin Category, the following products (and associated manufacturers): Lantus (Sanofi), Lantus SoloSTAR (Sanofi), Toujeo (Sanofi), Levemir (Novo Nordisk), Levemir Flexpen (Novo Nordisk), Levemir Flextouch (Novo Nordisk), Tresiba (Novo Nordisk) and Basaglar (Eli Lilly).

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[REDACTED]

With respect to Toujeo, the following products (and associated manufacturers): Adlyxin (Sanofi), Lantus/Lantus SoloSTAR (Sanofi), Toujeo (Sanofi) and Levemir/Levemir Flexpen/Levemir Flextouch (Novo Nordisk), Tresiba (Novo Nordisk), Basaglar (Eli Lilly), Humalog Mix (Eli Lilly), Humulin Mix (Eli Lilly), Humulin N (Eli Lilly), Novolin Mix (Novo Nordisk), Novolin N (Novo Nordisk), Novolog Mix (Novo Nordisk), Relion Mix (Relion), Relion N (Relion), Byetta (Bristol-Myers Squibb), Bydureon (Bristol-Myers Squibb), Farxiga (AstraZeneca), Invokana (Janssen), Invokamet (Janssen), Janumet (Merck), Janumet XR (Merck), Januvia (Merck), Jardiance (Boehringer Ingelheim/Eli Lilly), Jenadueto (Boehringer Ingelheim/Eli Lilly), Juvisync (Merck), Kazano (Takeda), Kombiglyze XR (Bristol-Myers Squibb), Nesina (Takeda), Onglyza (Bristol-Myers Squibb), Ozempic (Novo Nordisk), Oseni (Takeda), Ryzodeg Mix (Novo Nordisk), Tanzeum (Glaxo SmithKline), Tradjenta (Eli Lilly), Trulicity (Eli Lilly), Victoza (Novo Nordisk), Xigduo XR (Astra Zeneca), and Glyxambi (Boehringer Ingelheim/Eli Lilly).

"Disadvantage" means intervention activities focused on specific prescriptions for a Product where such activities are reasonably intended to discourage the utilization of the Product in favor of a Competitive Product including, but not limited to, (i) NDC blocking, (ii) prior authorization requirements, (iii) quantity limits (iv), counter-detailing or counter-promoting, (v) switching or therapeutic substitution, and (vi) step edits. [REDACTED]

The term "Disadvantage" shall not include actions taken for reasons of (a) clinical appropriateness, (b) Member safety, (c) generic substitution or intervention involving another product that is rated by FDA as AB-rated generic equivalent to a Product, (d) adjudication of a generic product at a more favorable co-pay or co-insurance level or the listing of a generic product on a Plan Formulary at a more favorable co-pay tier, or (e) Genetic Testing or Validation which has been mutually agreed upon and listed in Exhibit E.

"Excluded" or "Exclusion" means that a product is subject to NDC block or prior authorization based on medical necessity and/or failure of all formulary products in the relevant Competitive Category, or is otherwise not covered by the Plan subject in each case to exceptions for medical necessity and such exceptions as may be required to comply with applicable law.

"Exclusion Formulary" means a Plan Formulary that is supported by clinical programs or formulary management programs and has demonstrated the ability to Exclude products in at least ten (10) categories.

"Exclusion Plan" means a Plan that subjects branded pharmaceutical products in the relevant or other Competitive Category to Exclusion. Plans may elect to opt in or opt out of the Exclusion process.

"Genetic Testing or Validation" means activities undertaken to determine whether a prescribed treatment regimen is medically appropriate or optimal for individuals with a certain genetic make-up, which activities may include, without limitation, advising prescribers of the availability of a genetic test for patients who fall within the specified risk category for a pharmaceutical product, genetic testing, and, where indicated by genetic make-up, advising patients and prescribers of alternate drugs or therapies that are more appropriate or effective.

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"Listed Formulary Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that the Product is listed on the Plan Formulary on a Preferred Brand Tier or Specialty Tier, if applicable, and does not include a Product listed on a Non-Preferred Brand Tier or Third Tier Status.

"Non-Exclusion Formulary – Cost Share Differential" means a Plan Formulary that is supported by clinical programs or formulary management programs. The Plan's Benefit Design employs a cost share differential between the preferred and non-preferred brand tiers.

"Non-Exclusion Formulary – No Cost Share Differential" means a Plan Formulary that is supported by clinical programs or formulary management programs. The Plan's Benefit Design does not employ a cost share differential between the preferred and non-preferred brand tiers.

"Non-Preferred Brand Tier" means the adjudication tier with the highest Member co-pay amount or co-insurance percentage for branded, single source, prescription products.

"Non-Preferred Brand Tier Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that the Product is adjudicated at the Non-Preferred Brand Tier.

"Preferred Brand Tier" means the adjudication tier with the lowest Member co-pay amount or co-insurance percentage for branded prescription products; provided the Preferred Brand Tier shall not include a lower adjudication tier that may be implemented by a Plan for maintenance drugs, preventative drugs or other drugs selected by a Plan so long as such lower adjudication tier does not include branded prescription products.

"Specialty Product" means a branded prescription product for which the Member pays a co-payment or co-insurance amount that results in the Member paying more per prescription than the Member would have paid had the product been on the Preferred Brand Tier.

"Specialty Tier" means the adjudication tier for branded, single source prescription Specialty Products and other very high cost products with the lowest Member co-pay amount or co-insurance percentage for branded, single source Specialty Products in the Product's Competitive Category. A Specialty Product will not be considered adjudicated in Specialty Tier where any branded, single source Specialty Product in the same Competitive Category is adjudicated at a lower Member co-pay amount or co-insurance percentage level.

"Step-Edit" means a requirement that branded, single source, prescription products in a Preferred Brand Tier must first be tried by the Member before the branded, single source prescription product in the Non-Preferred Branded Tier will be covered by a Plan provided, however, that "Step Edit" shall not include requirements imposed for reasons of clinical appropriateness, Member safety, or Genetic Testing or Validation.

"Third Tier Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that the Product is adjudicated at the Non-Preferred Brand Tier. For avoidance of doubt, Managed Plans - 2T are not eligible for Third Tier Status Rebates, unless indicated in the applicable Rebate tables above.

"Tiered Formulary" means a Plan Formulary that lists both the names of the pharmaceutical products and their adjudication tier status.

"Template Plan" means a Plan that has adopted the PBM Drug List and/or Advanced Control Formulary™ as the Plan Formulary. Plans may elect to opt in or opt out of the Exclusion process.

"Traditional Formulary" means a Plan Formulary that lists the names of the pharmaceutical products but not their adjudication tier status.

"Utilization Management (Generic Step)" shall mean step edits are applied equally to all Products in the Competitive Category requiring the use of a generic product first and there is no influence on the prescribing choice of the physician.

"Utilization Management (prior authorization)" shall mean the Product is subject to a prior authorization. Although the prescriber must go through the prior authorization process to determine if the Product is being prescribed in accordance with the label indications, there may or may not be an influence on the prescribing choice of the physician.

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Rebates are not intended to encourage or require PBM to recommend or require a change to a Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

If PBM and/or Client is eligible for more than one Rebate for Dupixent® utilization identified in the Rebate tables set forth below in Section A, Manufacturer shall only pay one of the Rebates set forth below, i.e. the largest Rebate amount for which PBM and/or Client is eligible.

- ### A-1 Dupixent: Atopic Dermatitis

A-2 Dupixent: Atopic Dermatitis and Moderate to Severe Asthma

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- B. Conditions to Base Rebates – Commercial Plans.** Unless otherwise provided below, the payment of Rebates for Products dispensed to Members of Commercial Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee, are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof:

B.1. Dupixent: Atopic Dermatitis – Rebate Eligibility Conditions for Rebates Set Forth Under A-1 Above

1. Dupixent approved by the FDA for the treatment of Atopic Dermatitis is covered by the Plan in the applicable status set forth in the above Rebate tables in A-1 above.
2. Dupixent for AD is adjudicated at the Preferred Brand Tier or Specialty Tier, provided this condition shall not apply to Dupixent Non-Preferred Brand Tier Status Rebates set forth in A-1 above.
3. No product in the same Atopic Dermatitis Competitive Category of Dupixent shall be adjudicated at a lower Member co-pay amount or co-insurance percentage level than Dupixent for AD,

4.

5.

B.2. Dupixent: Atopic Dermatitis and Moderate to Severe Asthma - Rebate Eligibility Conditions for Rebates Set Forth Under A-2 Above

1. All of the Rebate eligibility conditions set forth above for Atopic Dermatitis and below for Moderate to Severe Asthma must be satisfied for the Rebates set forth in A-2 above (references to A-1 replaced with A-2 for purposes of this Section B.2.).

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Moderate to Severe Asthma

1. Dupixent approved by the FDA for the treatment of Moderate to Severe Asthma is covered by the Plan in the applicable status set forth in the above Rebate tables in A-2 above.
2. Dupixent for Asthma is adjudicated at the Preferred Brand Tier or Specialty Tier, provided this condition shall not apply to Dupixent Non-Preferred Brand Tier Status Rebates set forth in A-2 above.
3. No other products in the Moderate to Severe Asthma Competitive Category shall be adjudicated at a lower Member co-pay amount or co-insurance percentage level than Dupixent for Asthma.



- C. **Base Rebates – Managed Medicaid Plans.** The following Base Rebate Percentages shall be applicable for Products dispensed to Members of Managed Medicaid Plans:

Managed Medicaid Unrestricted Plans:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Dupixent				

Managed Medicaid Restricted Level 1 Plan:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Dupixent				

Managed Medicaid Restricted Level 2 Plan:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)				
Product	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	Listed Formulary Status
Dupixent				

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D. Conditions to Base Rebates – Managed Medicaid Plans. N/A

E. Rebates – Discount Card Plans.

Product Name	NDC#	Strength	Package Size	Base Rebate Percentage
All Products	All NDCs	All Strengths	All Package Sizes	N/A

F. Conditions to Base Rebates - Discount Card Plans. N/A

- G. Additional Rebate for Cumulative Price Protection. If the WAC of any NDC of a Product listed on a Plan Formulary on a Preferred Brand Tier or Specialty Tier is increased regardless of whether such increase occurs after the Baseline WAC Date or prior to or after the start of the then current Calendar Year, such that it exceeds the Price Increase Limitation Price for that Calendar Year, then Manufacturer shall pay an Additional Rebate (which shall be in addition to the Base Rebates described above) for that Calendar Year. For purposes of this Section, the following definitions shall apply.

“Additional Rebate” shall mean, for each NDC of Product, the dollar amount by which NEP exceeds Maximum NEP for applicable Calendar Year.

“Baseline WAC” means for each NDC of a Product, (i) the WAC in effect as of the date(s) reflected in the table below, and (ii) for each subsequent Calendar Year, the WAC in effect as of the last day of the prior Calendar Year. The Baseline WAC for any new NDC introduced mid Contract Year for any existing Product included in the Agreement shall be mutually agreed upon by both parties based on introduction date of the Product into the marketplace.

Product	Baseline WAC Date
Dupixent 300mg	
Dupixent 200mg	

“Maximum NEP” means, for each NDC of a Product, the Price Increase Limitation Price for each Calendar Year minus the Base Rebate as calculated for each Calendar Year.

“NEP” means, for each NDC of a Product, WAC minus the Base Rebate.

“Price Increase Limitation Price” means Baseline WAC increased by the Price Increase Limitation Rate as calculated for each Calendar Year.

“Price Increase Limitation Rate” means:

For Commercial Plans:

Calendar Years:

For Discount Card Plans:

N/A

For Managed Medicaid Plans:

N/A

The Additional Rebate shall be payable effective as of the date the Price Increase Limitation Rate was exceeded and shall remain in effect for the remaining term of the Agreement. For avoidance of doubt, if WAC is increased more than once within a Calendar Year, a new Additional Rebate will be calculated for that Calendar Year. Any Additional Rebate incurred in a Calendar Year will be carried over to subsequent Calendar Years.

The following example is for illustrative purposes only, and assumes a Price Increase Limitation Rate of 5%:

Year 1

Baseline WAC: \$100

Base Rebate Percentage: 30%

NEP: \$70 = (\$100 - 30% Base Rebate)

Price Increase Limitation Rate: 5%

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Price Increase Limitation Price: \$105 = (\$100 plus 5%)

Maximum NEP: \$73.50 = (\$105 - 30% Base Rebate)

If WAC increased by 8%

New WAC: \$108

Base Rebate: \$32.40 = (\$108 * 30%)

New NEP: \$75.60 = (\$108 WAC - \$32.40 Base Rebate)

Additional Rebate: \$2.10 (\$75.60 NEP - \$73.50 Maximum NEP)

Total Rebate: \$34.50 (\$32.40 Base Rebate + \$2.10 Additional Rebate)

Year 2

Baseline WAC: \$108.00

Base Rebate Percentage: 30%

NEP: \$75.60 = (\$108 - 30% Base Rebate)

Price Increase Limitation Rate: 5%

Price Increase Limitation Price: \$113.40 = (\$108 Plus 5%)

Maximum NEP: \$79.38 = (\$113.40 - 30% Base Rebate)

Total Rebate: \$34.50 (\$32.40 Base Rebate + \$2.10 Year 1 Additional Rebate)

If WAC increased by 8%:

New WAC: \$116.64

Base Rebate: \$34.99 = (\$116.64 * 30%)

New NEP: \$81.65 = (\$116.64 WAC - \$34.99 Base Rebate)

Year 2 Additional Rebate: \$2.27 (\$81.65 NEP - \$79.38 Maximum NEP)

Year 1 Additional Rebate: \$2.10 (\$75.60 NEP - \$73.50 Maximum NEP)

Total Rebate: \$39.36 (\$34.99 Base Rebate + \$2.27 Year 2 Additional Rebate + \$2.10 Year 1 Additional Rebate)

H. Calculation of Rebates.

Base Rebates shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] of the applicable Quarter multiplied by the applicable Rebate Percentage.

Additional Rebates shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by the applicable Additional Rebate.

I. Administrative Fees. Administrative Fees shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] day of the applicable Quarter multiplied by the Administrative Fee Percentage:

Product	Commercial Plan Administrative Fee Percentage	Managed Medicaid Plan Administrative Fee Percentage
Dupixent	[REDACTED]	[REDACTED]

J. Manufacturer Payment Terms.

(1) Payment. Manufacturer will make payments of Rebates and Administrative Fees to PBM, in accordance to Section 3 of the Agreement, within sixty (60) days of Manufacturer's receipt of the Utilization Reports for such Quarter.

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(2) Method of Payment. All payments made by Manufacturer shall be made electronically, to the bank account designated by PBM. In the event payment is not made electronically (e.g., payment is made by check), each payment due date set forth in this Section shall be automatically accelerated by seven (7) days. Except as otherwise set forth in Section 6(c), in no event shall Manufacturer offset any payment, debit account balance or other amount owing or payable by PBM to Manufacturer against any amounts payable by Manufacturer.

(3) Manufacturer Documentation. Manufacturer shall deliver to PBM, electronically and within sixty (60) days of receipt of the Utilization Reports, the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively, a reconciliation report in either of the formats set forth in Exhibit A to the Agreement.

- K. Medicaid Reimbursed Claims.** Manufacturer shall pay Rebates with respect to Units of Eligible Utilization of Products dispensed to Members of Managed Medicaid Plans as set forth above in "Base Rebates - Managed Medicaid Plans." Manufacturer shall have no obligation to pay Rebates with respect to Units of Products dispensed to Members for which reimbursement has been provided under a Medicaid program on a Unit basis.

M. Additional Defined Terms. For purposes of this Exhibit C-2, the following definitions shall apply:

"1 of 1 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) is listed on the Plan Formulary and no Competitive Products are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) is listed on the Plan Formulary with a Preferred Brand Tier designation and no Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 2 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) and the Competitive Products of only one other manufacturer are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) and the Competitive Products of only one other manufacturer are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 3 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) and the Competitive Products of only two other manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) and the Competitive Products of only two other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 4 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, Manufacturer's Product(s) and the Competitive Products of only three other manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, Manufacturer's Product(s) and the Competitive Products of only three other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

"Advanced Control Formulary™" or "ACF" means a Plan Formulary with the following characteristics: (i) pharmaceutical products may be Excluded at any time during a Calendar Year; (ii) newly launched pharmaceutical products may be Excluded at launch; and (iii) products are Excluded consistent with PBM's Advanced Control Formulary™ recommendations.

"Advanced Control Specialty Formulary™" or "ACSF" means a Plan Formulary with the following characteristics: (i) Specialty products may be Excluded at any time during a Calendar Year; (ii) newly launched

Specialty products may be Excluded at launch; and (iii) products are Excluded consistent with PBM's Advanced Control Specialty Formulary™ recommendations.

"Calendar Year" means the twelve-month period that begins on January 1 and ends on December 31, and each subsequent 12 month period.

"Closed Plan" means a Plan that, provides reimbursement only for those branded, single source prescription products that qualify as Closed Plan Reimbursable Products, subject to medical necessity exceptions and any exceptions required by law. If a Plan has exercised formulary control in a Competitive Category through either (i) Exclusion, NDC block, and new to market block, or (ii) medical necessity prior authorization on a Competitive Product, such Competitive Category shall qualify as closed, and the Plan shall be eligible to earn Closed Plan Rebates in that Competitive Category.

"Closed Plan Reimbursable Product" means a pharmaceutical product that is: (i) listed on the formulary or drug list adopted by the Plan, including any other broad formulary that may supplement a preferred drug list; and (ii) eligible for reimbursement under the Plan.

"Commercial Plan" means any Plan that is not a Managed Medicaid Plan or a Discount Card Plan.

"Competitive Categories" means, with respect to each Product, all forms, strengths and NDCs of the following products (and associated manufacturers):



"Disadvantage" means intervention activities focused on specific prescriptions for a Product where such activities are reasonably intended to discourage the utilization of the Product in favor of a Competitive Product including, but not limited to, (i) NDC blocking, (ii) prior authorization requirements, (iii) quantity limits (iv), counter-detailing or counter-promoting, (v) switching or therapeutic substitution, and (vi) step edits. The term "Disadvantage" shall not include actions taken for reasons of (a) clinical appropriateness, (b) Member safety, (c) generic substitution or intervention involving another product that is rated by FDA as AB-rated generic equivalent to a Product, (d) adjudication of a generic product at a more favorable co-pay or co-insurance level or the listing of a generic product on a Plan Formulary at a more favorable co-pay tier, or (e) Genetic Testing or Validation which has been mutually agreed upon and listed in Exhibit E.

"Excluded" or "Exclusion" means that a product is subject to NDC block or prior authorization based on medical necessity and/or failure of all formulary products in the relevant Competitive Category, or is otherwise not covered by the Plan subject in each case to exceptions for medical necessity and such exceptions as may be required to comply with applicable law.

"Exclusion Formulary" means a Plan Formulary that is supported by clinical programs or formulary management programs and has demonstrated the ability to Exclude products in at least ten (10) categories.

"Exclusion Plan" means a Plan that subjects branded pharmaceutical products in the relevant or other Competitive Category to Exclusion. Plans may elect to opt in or opt out of the Exclusion process.

"Genetic Testing or Validation" means activities undertaken to determine whether a prescribed treatment regimen is medically appropriate or optimal for individuals with a certain genetic make-up, which activities may include, without limitation, advising prescribers of the availability of a genetic test for patients who fall within the specified risk category for a pharmaceutical product, genetic testing, and, where indicated by genetic make-up, advising patients and prescribers of alternate drugs or therapies that are more appropriate or effective.

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"Listed Formulary Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that the Product is listed on the Plan Formulary on a Preferred Brand Tier or Specialty Tier, if applicable, and does not include a Product listed on a Non-Preferred Brand Tier or Third Tier Status.

"Non-Exclusion Formulary – Cost Share Differential" means a Plan Formulary that is supported by clinical programs or formulary management programs. The Plan's Benefit Design employs a cost share differential between the preferred and non-preferred brand tiers.

"Non-Exclusion Formulary – No Cost Share Differential" means a Plan Formulary that is supported by clinical programs or formulary management programs. The Plan's Benefit Design does not employ a cost share differential between the preferred and non-preferred brand tiers.

"Non-Preferred Brand Tier" means the adjudication tier with the highest Member co-pay amount or co-insurance percentage for branded, single source, prescription products.

"Non-Preferred Brand Tier Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that the Product is adjudicated at the Non-Preferred Brand Tier.

"Preferred Brand Tier" means the adjudication tier with the lowest Member co-pay amount or co-insurance percentage for branded prescription products; provided the Preferred Brand Tier shall not include a lower adjudication tier that may be implemented by a Plan for maintenance drugs, preventative drugs or other drugs selected by a Plan so long as such lower adjudication tier does not include branded prescription products.

"Specialty Product" means a branded prescription product for which the Member pays a co-payment or co-insurance amount that results in the Member paying more per prescription than the Member would have paid had the product been on the Preferred Brand Tier.

"Specialty Tier" means the adjudication tier for branded, single source prescription Specialty Products and other very high cost products with the lowest Member co-pay amount or co-insurance percentage for branded, single source Specialty Products in the Product's Competitive Category. A Specialty Product will not be considered adjudicated in Specialty Tier where any branded, single source Specialty Product in the same Competitive Category is adjudicated at a lower Member co-pay amount or co-insurance percentage level.

"Step-Edit" means a requirement that branded, single source, prescription products in a Preferred Brand Tier must first be tried by the Member before the branded, single source prescription product in the Non-Preferred Branded Tier will be covered by a Plan provided, however, that "Step Edit" shall not include requirements imposed for reasons of clinical appropriateness, Member safety, or Genetic Testing or Validation.

"Third Tier Status" means, as determined on a Product by Product, Plan by Plan and Quarter by Quarter basis, that the Product is adjudicated at the Non-Preferred Brand Tier. For avoidance of doubt, Managed Plans - 2T are not eligible for Third Tier Status Rebates, unless indicated in the applicable Rebate tables above.

"Tiered Formulary" means a Plan Formulary that lists both the names of the pharmaceutical products and their adjudication tier status.

"Template Plan" means a Plan that has adopted the PBM Drug List and/or Advanced Control FormularyTM as the Plan Formulary. Plans may elect to opt in or opt out of the Exclusion process.

"Traditional Formulary" means a Plan Formulary that lists the names of the pharmaceutical products but not their adjudication tier status.

"Utilization Management (Generic Step)" shall mean step edits are applied equally to all Products in the Competitive Category requiring the use of a generic product first and there is no influence on the prescribing choice of the physician.

"Utilization Management (prior authorization) shall mean the Product is subject to a prior authorization. Although the prescriber must go through the prior authorization process to determine if the Product is being prescribed in accordance with the label indications, there may or may not be an influence on the prescribing choice of the physician.

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EXHIBIT C-3

Effective January 1, 2019 - December 31, 2020

(unless otherwise specified below)

Rebates are not intended to encourage or require PBM to recommend or require a change to a Member's current prescription or limit the ability of a physician to prescribe another branded product in the Competitive Category when medically necessary.

- A. **Base Rebates and Incremental Base Rebates – Commercial Plans.** The following Base Rebate Percentages shall be applicable for Products dispensed by a Participating Pharmacy to Members of Commercial Plans

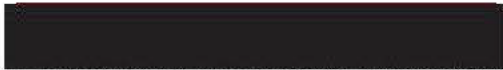
BASE REBATE FOR KEVZARA (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)							
Formulary Type		1 of 3 Product Status	1 of 4 Product Status	1 of 5 Product Status	1 of 6 Product Status	1 of 7 Product Status	Listed Formulary Status
Non-Exclusion Formulary*	No Cost Share Differential						
	Cost Share Differential						
Exclusion Formulary*							
ACF / ACSF / Closed Plans*							
PREFERRED STEP EDIT							

**INCREMENTAL ADDITIONAL BASE REBATE FOR ADOPTION OF EXCLUSIONS:
(Payable on all Formulary Types)**

Kevzara is the exclusive IL-6 Inhibitor on the Preferred Brand Tier

Incremental Additional Base Rebate For Adoption of Brand Step Therapy Program

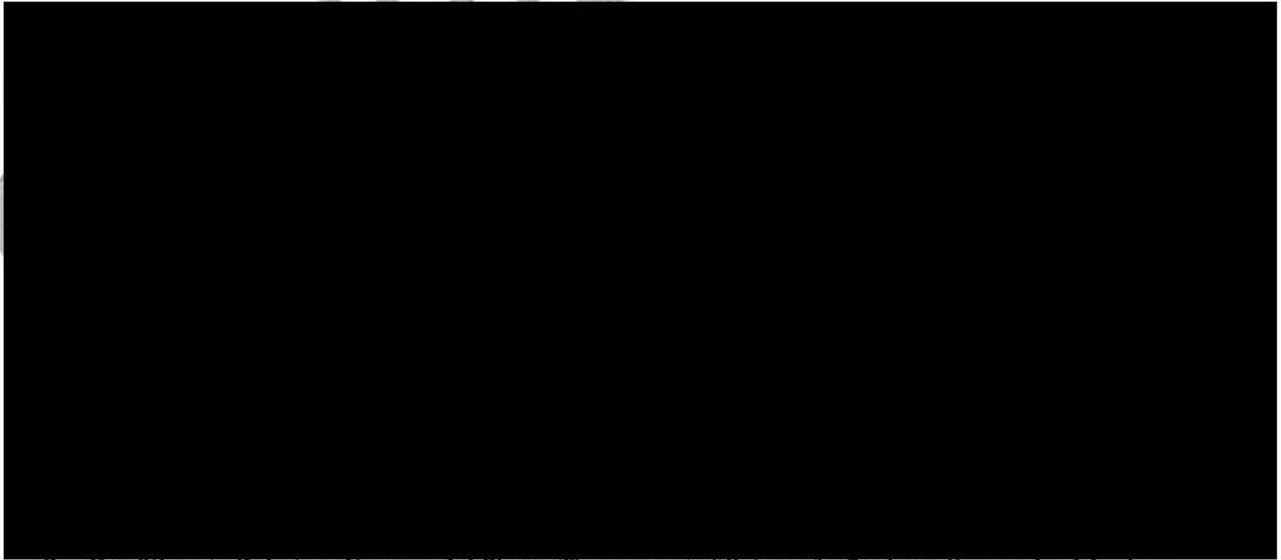
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BASE REBATE FOR KEVZARA (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)							
Formulary Type		1 of 3 Product Status	1 of 4 Product Status	1 of 5 Product Status	1 of 6 Product Status	1 of 7 Product Status	Listed Formulary Status
Non-Exclusion Formulary*	No Cost Share Differential						
	Cost Share Differential						
Exclusion Formulary*							
ACF / ACSF / Closed Plans*							
PREFERRED STEP EDIT							
Preferred after a single step edit**							
Preferred after a double step edit							



INCREMENTAL ADDITIONAL BASE REBATE FOR ADOPTION OF EXCLUSIONS: (Payable on all Formulary Types)	
Kevzara is the exclusive IL-6 Inhibitor on the Preferred Brand Tier	



B. Conditions to Rebates - Commercial Plans. The payment of Rebates for Products dispensed to Members of Commercial Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that if these conditions are not met for the

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entire Quarter, Rebates shall be payable on utilization of that Product for only that portion of the Quarter in which such conditions were met:

1. The Product is covered by the Plan in the applicable Status set forth in the above Rebate tables.
2. All NDC's of Product are adjudicated at the Preferred Brand Tier or Specialty Tier, provided this condition shall not apply to Non-Preferred Brand Tier Status Rebates.

3.	
4.	
5.	
6.	
7.	

- C. **Base Rebates – Managed Medicaid Plans.** The following Base Rebate Percentages shall be applicable for Products dispensed to Members of Managed Medicaid Plans:

Managed Medicaid Unrestricted Plans:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)					
Product	1 of 3 Product Status	1 of 4 Product Status	1 of 5 Product Status	1 of 6 Product Status	Listed Formulary Status
Kevzara					

Managed Medicaid Restricted Level 1 Plan:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)					
Product	1 of 3 Product Status	1 of 4 Product Status	1 of 5 Product Status	1 of 6 Product Status	Listed Formulary Status
Kevzara					

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Managed Medicaid Restricted Level 2 Plan:

BASE REBATES (INCLUDES ALL NDCs, STRENGTHS & PACKAGE SIZES)					
Product	1 of 3 Product Status	1 of 4 Product Status	1 of 5 Product Status	1 of 6 Product Status	Listed Formulary Status
Kevzara					

D. Conditions to Base Rebates – Managed Medicaid Plans. The payment of Rebates for Products dispensed to Members of Managed Medicaid Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof:

1. The Product is covered by the Plan in the applicable Status set forth in the above Rebate tables.
2. All NDCs of Product are adjudicated at the Preferred Brand Tier.
3. The Product is not subject to Disadvantaging, except for Managed Medicaid Restricted Level 1 and Restricted Level 2 Plans.

4.

E. Rebates – Discount Card Plans.

Product Name	NDC#	Strength	Package Size
Kevzara	All NDCs	All Strengths	All Package Sizes

F. Conditions to Base Rebates - Discount Card Plans. The payment of Rebates for Products dispensed to Members of Discount Card Plans is subject to the satisfaction of the following conditions, as determined on a Product by Product, Plan by Plan, and Quarter by Quarter basis, provided that (i) Products added to the Plan Formulary at any point after the start of the Quarter are eligible for Rebates as of date of addition, (ii) Products removed from the Plan Formulary prior to the end of any Quarter for reasons of patient safety, published FDA recommendation, or upon recommendation of P&T Committee are eligible for Rebates through the date of Formulary removal, (iii) Products removed from the Plan Formulary prior to the end of any Quarter for any other reason are ineligible for Rebates for that Quarter or any portion thereof.

G. Additional Rebate for Cumulative Price Protection. If the WAC of any NDC of Product listed on a Plan Formulary on a Preferred Brand Tier, unless otherwise noted is increased, regardless of whether such increase occurs on the Baseline WAC Date or on or after June 30, 2017, such that it exceeds the Price Increase Limitation Price, then Manufacturer shall pay an Additional Rebate (which shall be in addition to the Base Rebates described above). For purposes of this Section, the following definitions shall apply:

“Additional Rebate” shall mean, for each NDC of Product, the dollar amount by which NEP exceeds Maximum NEP for applicable calendar year.

“Baseline WAC” means, for each NDC of a Product: (i) for the period October 1, 2017 through December 31, 2017, the WAC in effect as of June 30, 2017, and (ii) for each subsequent Calendar Year, the WAC in effect as of the last day of the prior Calendar Year. The Baseline WAC for any new NDC introduced for any existing Product included in the Agreement shall be mutually agreed upon by both parties based on introduction date of the Product into the marketplace.

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“Maximum NEP” means, for each NDC of a Product, the Price Increase Limitation Price for each calendar year minus the Base Rebate as calculated for each Calendar Year.

“NEP” means, for each NDC of a Product, WAC minus the Base Rebate.

“Price Increase Limitation Price” means Baseline WAC increased by the Price Increase Limitation Rate for each calendar year.

“Price Increase Limitation Rate” means:

For Commercial Plans:
For Managed Medicaid Plans:
For Discount Card Plans:



The Additional Rebate shall be payable effective as of the date the Price Increase Limitation Rate was exceeded and shall remain in effect for the remaining term of the Agreement. For avoidance of doubt, if WAC is increased more than once within a Calendar Year, a new Additional Rebate will be calculated for that Calendar Year. Any Additional Rebate incurred in a Calendar Year will be carried over to subsequent Calendar Years.

The following example is for illustrative purposes only, and assumes a Price Increase Limitation Rate of 5%:

Year 1 (Effective 10/1/17-12/31/17)

Baseline WAC: \$100.00

Base Rebate Percentage: 30%

NEP: $\$70.00 = \$100.00 - (\$100.00 \times 30\%)$

Price Increase Limitation Rate: 5%

Price Increase Limitation Price: $\$105.00 = \$100.00 + (\$100.00 \times 5\%)$

Maximum NEP: $\$73.50 = \$105.00 - (\$105.00 \times 30\%)$

If WAC increased by 8% on 11/1/2017:

New WAC: \$108.00

Base Rebate: $\$32.40 = (\$108.00 \times 30\%)$

NEP: $\$75.60 = (\$108.00 - \$32.40)$

Maximum NEP: $\$73.50 = \$105.00 - (\$105.00 \times 30\%)$

Additional Rebate: $\$2.10 (\$75.60 \text{ NEP} - \$73.50 \text{ Maximum NEP})$

Total Rebate: $\$34.50 (\$32.40 \text{ Base Rebate} + \$2.10 \text{ Additional Rebate})$

Year 2 (Effective 1/1/18-12/31/18)

If WAC increased by another 8% Effective 1/1/18:

New WAC: $\$116.64 (\$108.00 \times 1.08)$

Base Rebate: $\$34.99 = (\$116.64 \times 30\%)$

NEP: $\$81.65 = (\$116.64 - \$34.99)$

Price Increase Limitation Rate: 5%

Price Increase Limitation Price: $\$113.40 = \$108.00 + (\$108.00 \times 5\%)$

Maximum NEP: $\$79.38 = \$113.40 - (\$113.40 \times 30\%)$

Year 2 Additional Rebate: $\$2.27 (\$81.65 \text{ NEP} - \$79.38 \text{ Maximum NEP})$

Year 1 Additional Rebate = $\$2.10$ (Additional Rebate from Calendar Year 1)

New Total Rebate: $\$39.36 (\$34.99 \text{ Base Rebate} + \$2.27 \text{ Additional Rebate} + \$2.10 \text{ Additional Carryover Rebate})$

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H. Calculation of Rebates.

Base Rebates shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] of the applicable Quarter multiplied by the applicable Rebate Percentage.

Additional Rebates shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by the applicable Additional Rebate.

I. Administrative Fees. Administrative Fees shall be calculated on a Plan by Plan basis as follows:

Number of Units of the Product that constitute Eligible Utilization multiplied by WAC in effect as of the [REDACTED] day of the applicable Quarter multiplied by the Administrative Fee Percentage:

Product	Commercial Plan Administrative Fee Percentage	Managed Medicaid Plan Administrative Fee Percentage
Kevzara	[REDACTED]	[REDACTED]

J. Manufacturer Payment Terms.

(1) Payment. Manufacturer will make payments of Rebates and Administrative Fees to PBM, in accordance to Section 3 of the Agreement, within sixty (60) days of Manufacturer's receipt of the Utilization Reports for such Quarter.

(2) Method of Payment. All payments made by Manufacturer shall be made electronically, to the bank account designated by PBM. In the event payment is not made electronically (e.g., payment is made by check), each payment due date set forth in this Section shall be automatically accelerated by seven (7) days. Except as otherwise set forth in Section 6(c), in no event shall Manufacturer offset any payment, debit account balance or other amount owing or payable by PBM to Manufacturer against any amounts payable by Manufacturer.

(3) Manufacturer Documentation. Manufacturer shall deliver to PBM, electronically and within sixty (60) days of receipt of the Utilization Reports, the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively, a reconciliation report in either of the formats set forth in Exhibit A to the Agreement.

K. Medicaid Reimbursed Claims. Manufacturer shall pay Rebates with respect to Units of Eligible Utilization of Products dispensed to Members of Managed Medicaid Plans as set forth above in "Base Rebates - Managed Medicaid Plans." Manufacturer shall have no obligation to pay Rebates with respect to Units of Products dispensed to Members for which reimbursement has been provided under a Medicaid program on a Unit basis.

[REDACTED]

M. Additional Defined Terms. For purposes of this Exhibit C-3, the following definitions shall apply:

"1 of 3 Product Status" means, as determined on a Product by Product, Plan Formulary by Plan Formulary and/or Differentiating Factor by Differentiating Factor and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Product and the Competitive Products of only two other products are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, the Product and the Competitive Products of only two other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 4 Product Status" means, as determined on a Product by Product, Plan Formulary by Plan Formulary and/or Differentiating Factor by Differentiating Factor and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Product and the Competitive Products of only three other manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, the Product and only three other Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 5 Product Status" means, as determined on a Product by Product, Plan Formulary by Plan Formulary and/or Differentiating Factor by Differentiating Factor and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Product and the Competitive Products of only four other manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, the Product and only four other Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 6 Product Status" means, as determined on a Product by Product, Plan Formulary by Plan Formulary and/or Differentiating Factor by Differentiating Factor and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Product and the Competitive Products of only five other manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, the Product and only five other Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 7 Product Status" means, as determined on a Product by Product, Plan Formulary by Plan Formulary and/or Differentiating Factor by Differentiating Factor and Quarter by Quarter basis, that: (i) for Plans with a Traditional Formulary, the Product and the Competitive Products of only six other manufacturers are listed on the Plan Formulary, and (ii) for Plans with a Tiered Formulary, the Product and only six other Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"Advanced Control FormularyTM" or "ACF" means a Plan Formulary with the following characteristics: (i) pharmaceutical products may be Excluded at any time during a calendar year; (ii) newly launched pharmaceutical products may be Excluded at launch; and (iii) products are Excluded consistent with PBM's Advanced Control FormularyTM recommendations.

"Advanced Control Specialty FormularyTM" or "ACSF" means a Plan Formulary with the following characteristics: (i) specialty products may be Excluded at any time during a calendar year; (ii) newly launched specialty products may be Excluded at launch; and (iii) products are Excluded consistent with PBM's Advanced Control Specialty FormularyTM recommendations.

"Calendar Year" means the twelve-month period that begins on January 1 and ends on December 31, and each subsequent 12 month period.

"Closed Plan" means a Plan that, provides reimbursement only for those branded, single source prescription products that qualify as Closed Plan Reimbursable Products, subject to medical necessity exceptions and any exceptions required by law. If a Plan has exercised formulary control in a Competitive Category through either (i) Exclusion, NDC block, and new to market block, or (ii) medical necessity prior authorization on a Competitive Product, such Competitive Category shall qualify as closed, and the Plan shall be eligible to earn Closed Plan Rebates in that Competitive Category.

"Closed Plan Reimbursable Product" means a pharmaceutical product that is: (i) listed on the formulary or drug list adopted by the Plan, including any other broad formulary that may supplement a preferred drug list; and (ii) eligible for reimbursement under the Plan.

"Commercial Plan" means any Plan that is not a Managed Medicaid Plan or a Discount Card Plan.

"Competitive Categories" means, with respect to each Product, the following products (and associated manufacturers):



"Disadvantaged" means intervention activities focused on specific prescriptions for a Product where such activities are reasonably intended to discourage the utilization of the Product in favor of a Competitive Product including, but not limited to, (i) NDC blocking, (ii) prior authorization requirements, (iii) quantity limits (iv), counter-detailing or counter-promoting, (v) switching or therapeutic substitution, and (vi) step edits.

The term "Disadvantage" shall not include actions taken for reasons of (a) clinical appropriateness, (b) Member safety, (c) generic substitution or intervention involving another product that is rated by FDA as AB-rated generic equivalent to a Product, (d) adjudication of a generic product at a more favorable co-pay or co-insurance level or the listing of a generic product on a Plan Formulary at a more favorable co-pay tier, or (e) Genetic Testing or Validation which has been mutually agreed upon and listed in Exhibit E.

"Excluded" or "Exclusion" means that a product is subject to NDC block or prior authorization based on medical necessity and/or failure of all formulary products in the relevant Competitive Category, or is otherwise not covered by the Plan subject in each case to exceptions for medical necessity and such exceptions as may be required to comply with applicable law.

"Exclusion Formulary" means a Plan Formulary that is supported by clinical programs or formulary management programs and has demonstrated the ability to Exclude products in at least ten (10) categories.

"Exclusion Plan" means a Plan that subjects branded pharmaceutical products in the relevant or other Competitive Category to Exclusion. Plans may elect to opt in or opt out of the Exclusion process.

"Listed Formulary Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that the Product is listed on the Plan Formulary on a Preferred Brand Tier or Specialty Tier, if applicable, and does not include a Product listed on a Non-Preferred Brand Tier Status.

"Non-Exclusion Formulary – Cost Share Differential" means a Plan Formulary that is supported by clinical programs or formulary management programs. The Plan's Benefit Design employs a cost share differential between the preferred and non-preferred brand tiers.

"Non-Exclusion Formulary – No Cost Share Differential" means a Plan Formulary that is supported by clinical programs or formulary management programs. The Plan's Benefit Design does not employ a cost share differential between the preferred and non-preferred brand tiers.

"Non-Preferred Brand Tier" means the adjudication tier with the highest Member co-pay amount or co-insurance percentage for branded, single source, prescription products.

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"Non-Preferred Brand Tier Status" means, as determined on a Product by Product, Plan by Plan, Plan Formulary by Plan Formulary, and Quarter by Quarter basis, that the Product is adjudicated at the Non-Preferred Brand Tier.

"Preferred Brand Tier" means the adjudication tier with the lowest Member co-pay amount or co-insurance percentage for branded prescription products; provided the Preferred Brand Tier shall not include a lower adjudication tier that may be implemented by a Plan for maintenance drugs, preventative drugs or other drugs selected by a Plan so long as such lower adjudication tier does not include branded prescription products.

"Specialty Product" means a pharmaceutical, biotech or biological drug that is used in the management of chronic or genetic disease, including but not limited to, injectible, infused, or oral medications, or products that otherwise require special handling.

"Specialty Tier" means the adjudication tier for branded, single source prescription Specialty Products and other very high cost products with the lowest Member co-pay amount or co-insurance percentage for branded, single source Specialty Products in the Product's Competitive Category. A Specialty Product will not be considered adjudicated in Specialty Tier where any branded, single source Specialty Product in the same Competitive Category is adjudicated at a lower Member co-pay amount or co-insurance percentage level.

"Step-Edit" means a requirement that branded, single source, prescription products in a Preferred Brand Tier must first be tried by the Member before the branded, single source prescription product in the Non-Preferred Branded Tier will be covered by a Plan provided, however, that "Step Edit" shall not include requirements imposed for reasons of clinical appropriateness, Member safety, or Genetic Testing or Validation.

"Tiered Formulary" means a Plan Formulary that lists both the names of the pharmaceutical products and their adjudication tier status.

"Traditional Formulary" means a Plan Formulary that lists the names of the pharmaceutical products but not their adjudication tier status.

"Utilization Management (Generic Step)" shall mean step edits are applied equally to all Products in the Competitive Category requiring the use of a generic product first and there is no influence on the prescribing choice of the physician.

"Utilization Management (Prior Authorization)" shall mean the Product is subject to a prior authorization. Although the prescriber must go through the prior authorization process to determine if the Product is being prescribed in accordance with the label indications, there may or may not be an influence on the prescribing choice of the physician.

**MEDICARE PART D PROGRAM
REBATE AGREEMENT**

THIS REBATE AGREEMENT ("Agreement") is made and entered into effective as of the 1st day of January, 2018 ("Effective Date"), by and between CVS CAREMARK PART D SERVICES, L.L.C., a Delaware limited liability company ("PBM"), Eli Lilly and Company ("Lilly US"), an Indiana corporation having its principal place of business at Lilly Corporate Center, Indianapolis, IN 46285, and ELI LILLY EXPORT, S.A., PUERTO RICO BRANCH ("Lilly PR"), a corporation organized under the laws of Switzerland with a branch registered in Puerto Rico, having its principal place of business at 235 Federico Costa Street, Parque Las Americas 1 Suite 401, San Juan Puerto Rico 00918-1342 (hereinafter Lilly PR and Lilly US shall be referred to jointly as "Lilly") with respect to Rebates and Administrative Fees payable from and after January 1, 2018 ("Rebate Commencement Date").

1. **DEFINITIONS.** In addition to terms defined elsewhere herein, the following terms shall have the meanings set forth below:

"Administrative Fees" means the Administrative Fees set forth in Exhibit C.

"Affiliate" means, with respect to a party, any corporation, partnership or other legal entity directly or indirectly owned or controlled by, or which owns or controls, or which is under common ownership or control with, such party.

"Affiliated EGWP Plan" means an Affiliated Plan that is an EGWP Plan.

"Affiliated Plan" means a Part D Plan for which PBM or an Affiliate of PBM is the Part D Plan Sponsor.

"Benefit Design" is defined as follows:

- a. "Open Benefit Design" means a benefit design characterized primarily by an open formulary under which a Product is no more restricted in its availability than other products in the same Competitive Category and no product is given preference in dispensing decisions.
- b. "Tiered Benefit Design" means a benefit design characterized primarily by a formulary under which the Part D Plan directly or indirectly influences availability or gives preference in dispensing decisions of products in the same Competitive Category through monetary restrictions; for example, differential dollar member co-payments for branded formulary as defined and determined by the Part D Plan, where certain brands and Competitive Category are intended to be more restricted in availability than other branded formulary products.
- c. "Closed Benefit Design" means a benefit design characterized by reimbursement only for products included on the formulary adopted by the Part D Plan, subject to such exceptions as may be required by the MMA. For the purposes of this Agreement, "Closed Plan" also includes, with respect to a Product, any Part D Plan which has restricted reimbursement within the Product's Competitive Category to only those products listed on the Part D Plan's formulary in that Competitive Category even if reimbursement is not restricted for all Competitive Categories. Closed Benefit Design includes a Part D Plan characterized primarily by a closed formulary where the Part D Plan has the ability, and in fact exercises such ability, to directly or indirectly influence availability or give preference in dispensing decisions of products in the same Competitive Category through hard edit prior authorizations, NDC locks for non-preferred products or other similar mechanisms where certain products are intended to be more restricted in availability than other preferred products in the same Competitive Category. Medical necessity exceptions may apply to a Closed Benefit Design's reimbursement policy for non-formulary products.

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This document contains confidential and proprietary trade secrets of CVS Caremark and Lilly. Its contents may only be disclosed pursuant to Section 5.

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"CMS" means the Centers for Medicare and Medicaid Services.

"Competitive Product" means, with respect to a Product, each single source, branded, prescription product in the Product's Competitive Category that is not manufactured, distributed or rebated by Lilly.

"EGWP Plan" means a Part D Plan that is operating under a waiver granted pursuant to 42 C.F.R. § 423.458(c).

"Medicare Coverage Gap" means the gap phase in prescription drug coverage that occurs between the initial coverage limit (as defined in Section 1860D-2(b)(3) of the Social Security Act) and the out-of-pocket threshold (as defined in Section 1860D-2(b)(4)(B) of the Social Security Act).

"Medicare Coverage Gap Discount Program" means the Medicare Coverage Gap Discount Program created pursuant to Section 3301 of the Patient Protection and Affordable Care Act (H.R. 3590), as amended by Section 1101 of the Health Care and Education Reconciliation Act of 2010 (H.R. 4872) and codified in Sections 1860D-43 and 1860D-14A of the Social Security Act.

"Medicare Part D Drug Benefit" means the benefit portion of MMA that establishes coverage for pharmaceuticals on an outpatient basis to qualifying individuals.

"Manufacturer Payment Terms" means the terms for the payment for Rebates and Administrative Fees as set forth in Exhibit C.

"Member" means a person who is enrolled in a Part D Plan.

"MMA" means the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and the regulations promulgated thereunder.

"Non-Affiliated EGWP Plan" means a Non-Affiliated Plan that is an EGWP Plan.

"Non Affiliated Plan" means any Part D Plan that is not an Affiliated Plan and the Part D Plan Sponsor of such Non Affiliated Plans is neither PBM nor an Affiliate of PBM.

"Part D Plan" means those plans offered by the Part D Plan Sponsors. In order to qualify as a "Part D Plan" or "Plan" under this Agreement, such Plan must: (i) have been approved by CMS as a PDP or MA-PD; (ii) provide its Members a Medicare Part D Drug Benefit subject to a formulary administered by Part D Plan Sponsor; and (iii) the PDP Sponsor for its Plan continues to have an effective contract with CMS to offer such Plan under MMA. Notwithstanding anything to the contrary in this Agreement or the foregoing, the term "Part D Plan(s)" shall specifically exclude any plan, programs or entities for which PBM provides only claims processing services and any plan that Lilly already directly or indirectly provides rebates or discounts on the same utilization through any separate contractual arrangement, provided PBM shall be given the opportunity to demonstrate the eligibility of such Plan under this Agreement.

"Part D Plan Sponsor" means a "Part D plan sponsor" (as such term is defined at 42 C.F.R. § 423.4) for which PBM provides Rebate Contracting Services.

"Participating US Pharmacy" means a duly licensed pharmacy located in the United States (specifically excluding Puerto Rico) that has agreed to provide services to Members.

"Participating PR Pharmacy" means a duly licensed pharmacy located in Puerto Rico that has agreed to provide services to Members.

"Plan Formulary" means the formulary adopted by the Part D Plan Sponsor pursuant to the MMA, as most recently submitted to CMS.

"Permitted Activities" means any of the following: (i) relative dollar signs or other economic comparisons contained in a formulary or other materials or communications provided such dollar signs or other comparisons accurately reflect the net prices of the products, (ii) comparisons made on a clinical basis if based on the product's package insert, (iii) the absence of a competitive branded product on a formulary, (iv) actions taken that are related to drug interactions with other prescription or over-the-counter drug products, are related to contraindications for such product, or are otherwise taken for reasons of Member safety or clinical appropriateness, (v) generic substitution, generic intervention that may occur at the point of sale so long as such substitution or intervention is not required by the Plan, PBM, or PBM's affiliates, or lower copayments for generic, multisource and/or non-prescription products; (vi) the provision of materials on generic drugs to Members, Plans and healthcare providers and request in such materials that they generally consider (but not mandate) using generic drugs prior to branded product; and (vii) genetic testing that identifies medication effectiveness and appropriate dosing by identifying a patient's unique genetic make-up in accordance with the Product FDA label.

"DACO Price" means the price required by applicable DACO (Puerto Rico Department of Consumer Affairs) regulations requiring a price reduction of select Products through the authority granted to DACO under Regulation No. 37 of Puerto Rico. If utilization for a Product is submitted that is dispensed by a pharmacy in Puerto Rico, and DACO Price applies to such Product, DACO Price, not WAC, will be used for all Rebate calculations.

"Program" means the voluntary Medicare Part D Prescription Drug Benefit Program created by the MMA.

"Products" means the pharmaceutical products listed in Exhibit C.

"Quarter" means any three-month period beginning on January 1, April 1, July 1, or October 1 of any given Rebate Contract Year during the term of this Agreement, except that (i) the first Quarter begins on the Effective Date and ends at midnight at the beginning of the day the next Quarter begins and (ii) the last Quarter ends on the date this Agreement terminates.

"Quarterly Utilization - US" means the number of Units of Products dispensed by Participating US Pharmacies to Members during the relevant calendar Quarter.

"Quarterly Utilization - PR" means the number of Units of Products dispensed by Participating PR Pharmacies to Members during the relevant calendar Quarter.

"Rebate Contract Year" means the twelve-month period commencing on the Rebate Commencement Date and each subsequent twelve-month period.

"Rebate Contracting Services" means the negotiation with prescription drug manufacturers and others for discounts and rebates on prescription drugs.

"Rebates" means the rebates set forth on Exhibit C.

"Reimbursement Data" means the entire data set of information, as outlined in Section 3(c), submitted by PBM used by Lilly to determine Rebates payable.

"Unit" means a single unit (whether a milligram, pill, milliliter, or other measurement), provided, that single use items shall be measured per use (i.e. one use equals one unit).

"Unrestricted" means available on the applicable Part D Plan's Formulary in the manner such that except for Permitted Activities, (i) the Product is not more restricted in its availability than any competitor's single source, branded, prescription product in the same Competitive Category; and (ii) no other branded product in the same Competitive Category is given preference in dispensing decisions including, without limitation, preferential co-pays and/or coinsurance percentage; and (iii) there is no requirement that a patient try a generic drug prior to receiving a Product.

"Wholesale Acquisition Cost" or "WAC" means the wholesale acquisition cost in effect for each Product on the date of dispense, for a Product as determined by Lilly and published by First Data Bank, Medispan and/or another nationally recognized database, as selected by PBM.

2. PART D PLAN SPONSORS.

(a) Part D Plan Sponsors. Included with the first invoice, PBM shall provide to Lilly a listing of Part D Plan Sponsors, which list shall include numbers of Members, and PBM shall provide an updated listing on a Quarterly basis thereafter. This listing shall include a designation for those Affiliated Plans, Affiliated EGWP Plans, Non-Affiliated Plans and Non-Affiliated EGWP Plans.

(i) PBM represents and warrants that each Part D Plan Sponsor is a Part D Plan Sponsor as that term is defined in this Agreement. PBM further represents and warrants that it has endeavored to confirm that each Plan operated by a Part D Plan Sponsor is a Part D Plan as that term is defined in this Agreement. PBM acknowledges that Lilly is relying upon these representations and warranties in entering into and performing under this Agreement. PBM shall not be eligible for Rebates associated with any utilization by Members covered by a Part D Plan after the Plan is no longer a CMS-qualified Part D Plan.

(ii) Addition/Deletion. Part D Plan Sponsors may be added to or deleted from this Agreement as discussed in this section. PBM may from time to time delete a Part D Plan Sponsor or Part D Plan upon written notice to Lilly. Lilly reserves the right to delete any Part D Plan Sponsor or Part D Plan that no longer meets the requirements of this Agreement upon thirty (30) days' notice to PBM, provided that PBM shall have the opportunity to demonstrate to Lilly that such Part D Plan Sponsor or Plan is eligible under the Agreement. The effective date of deletion of a Part D Plan Sponsor or Plan by Lilly shall be the beginning of the calendar quarter following notice to delete the Part D Plan. For Part D Plan Sponsors and Part D Plans added in such a Quarter, PBM agrees to submit an updated Part D Plan Sponsor and Part D Plan list in the next Quarter. Further, PBM agrees that if a Part D Plan's PDP or MA-PD status as designated above changes, it shall provide Lilly with written notice of such change via inclusion in the updated Part D Plan Sponsor and Part D Plan list provided to Lilly Quarterly. Unless disputed by Lilly, the added Part D Plan Sponsors and Part D Plans listed on the updated Part D Plan Sponsor and Part D Plan list shall be deemed added on the date in which PBM begins the provision of prescription benefit services or Rebate Contracting Services to the Part D Plan Sponsor or Part D Plan.

(b) Notification. PBM agrees to notify, in accordance with its standard business practices, all Part D Plan Sponsors of the formulary status obligations described in Exhibit C in order to be eligible for Rebates hereunder.

3. REBATES & ADMINISTRATIVE FEES.

(a) Rebates & Calculation. Subject to the terms contained herein, Lilly agrees to pay separate Rebates on the Quarterly Utilization – US and the Quarterly Utilization – PR of Products to PBM in accordance with the conditions to Rebates and the Rebate rates listed in Exhibit C of this Agreement. Unless specifically stated in the conditions to Rebates, the Rebates due for a calendar Quarter are independent of performance in prior or subsequent Quarters. Notwithstanding anything to the contrary in this Agreement, Rebates shall under no circumstances be paid (nor shall Lilly have any obligation to pay Rebates) under this Agreement for any utilization of Products by Members unless such utilization/purchase is under the Medicare Part D Drug Benefit.

(b) Administrative Fees. In connection with the administration of this Agreement, PBM shall perform certain services necessary for Lilly to participate in the Program with respect to Part D Plan Sponsors and Part D Plans, including acting as an aggregator of Part D Plan Sponsors and Part D Plans, negotiating and contracting with Part D Plan Sponsors for their respective Part D Plans for participation in the Rebates provided under this Agreement and administering this Agreement, including: calculating the amounts of Rebates applicable to Products; invoicing Lilly for Rebates; preparing detailed reports on Rebate calculations; and allocating and distributing Rebates to Part D Plan Sponsors for their respective Part D Plans under the terms of PBM's agreements with Part D Plan Sponsors; utilize internal control measures to protect against submitting for unearned Rebates, as well as making available to Lilly formulary status and the documentation and other information described in Exhibit reasonably necessary for Lilly to verify and evaluate the amounts payable to Part D Plan Sponsors with respect to their Part D Plans. In consideration for such services performed by PBM, Lilly agrees to pay a separate Administrative Fee as set forth in Exhibit C (except for utilization of Affiliated Plans) of Products to the extent such Products qualify for Lilly's payment of Rebates hereunder. To the extent an Administrative Fee is remitted by PBM to a Part D Plan Sponsor for their respective Part D Plans ("Remitted Fee"), PBM will direct the Part D Plan Sponsor to report such Remitted Fee as a price concession in accordance with the Discount Safe Harbor.

In connection with the Administrative Fee paid hereunder, PBM represents and warrants that it shall make all disclosures to each Part D Plan Sponsor for their respective Part D Plans (and/or other entities as may be required) as is necessary to comply with obligations imposed on PBM under the Part D Rules and any other applicable federal or state laws. PBM represents that it is authorized by contract with each Part D Plan Sponsor for their respective Part D Plans to collect the Administrative Fee and that it shall report the value of the Administrative Fee to each of its Part D Plans on an annual basis to the extent required by applicable law (including without limitation, the MMA), by contractual commitment and/or as otherwise explicitly required under this Agreement. For avoidance of any doubt, under no circumstances shall Administrative Fees be paid under this Agreement with respect to any Quarterly Utilization– US or Quarterly Utilization - PR derived from Part D Plans that are owned directly or indirectly by PBM or any of its subsidiaries/affiliates including, without limitation, any Quarterly Utilization – US and Quarterly Utilization - PR derived from Part D Plans that are owned directly or indirectly by Caremark, L.L.C., CaremarkPCS Health, L.P., or subsidiaries/affiliates of a parent corporation that is owned by Caremark, L.L.C. or CaremarkPCS Health, L.P. (either directly or through another owned entity).

(c) Utilization Reports.

(i) Reporting. Within ninety (90) days after the end of each Quarter occurring during a Rebate Contract Year, PBM shall submit (or resubmit) to Lilly separate US and Puerto Rico invoices setting forth the calculation of the Rebates and Administrative Fees, payable by Lilly to PBM for such Quarter and, to the extent not previously submitted, the two (2) preceding Quarters. The invoice shall be

accompanied by the following reports, which shall be transmitted by paper or electronic data utilizing the National Council for Prescription Drug Programs ("NCPDP") manufacturer rebate utilization flat file standard (to include all NCPDP fields that are mandatory as of the Effective Date and such other NCPDP fields as PBM may elect to include in its sole discretion), PBM's standard reporting format, or as otherwise mutually agreed upon by Lilly and PBM, for such Quarter and, to the extent not previously submitted, the two (2) preceding Quarters ("Utilization Reports"):

- (A) Invoice Summary by NDC Report
- (B) Invoice Summary by Part D Plan, Plan Formulary-NDC Report as described below:
 - i. A complete listing of all Plans
 - ii. Detail NCPDP Data File as described below:



(ii) Data Submission.

- a. PBM must send data in an electronic medium (diskette, CD, secure email etc.) based upon National Council for Prescription Drug Programs (NCPDP), Manufacturers Rebate Standard 4.01 – Utilization Flat File industry standard. PBM agrees to cooperate with Lilly in the implementation of electronic data interchange (EDI) transmission for the purpose of reimbursement submissions. This includes the submission of Reimbursement Data in an EDI transmission manner consistent with industry standards.

All Reimbursement Data should be sent to:

Contract Management and Analytics
DC 5126
Eli Lilly and Company
Lilly Corporate Center
Indianapolis, IN 46285
ATTN: Contract Administration

The information provided will be the minimum necessary to accomplish the intended purpose of this Agreement.

(iii) Notice of Corrupt File & Deficiencies. Lilly must notify PBM in writing within ten business (10) days following Lilly's receipt of the Utilization Reports if Lilly believes the data submitted in the Utilization Reports is either missing material components of the required data elements for all or any of the Product utilization reported or is not capable of being processed by Lilly due to the data files, when delivered, being corrupt, damaged, or otherwise not readable ("File Deficiency Notice"). In the event Lilly timely delivers the File Deficiency Notice to PBM in accordance with this Section, Lilly shall, nevertheless, remit payment, when due in accordance with the Manufacturer Payment Terms, for such Utilization Report(s), or portion thereof, which are capable of being processed by Lilly or which are not missing material components of the required data elements. In the event Lilly fails to timely deliver the File Deficiency Notice to PBM in accordance with this Section, Lilly shall remit payment for all undisputed claims in full, when due in accordance with the Manufacturer Payment Terms, for such Utilization Report(s) as set forth in the applicable invoice(s).

(iv) Calculations. Calculations for Rebates and Administrative Fees will be performed with six decimal places of precision and summarized to two decimal places of precision for submission. Any claims submitted from the Quarter preceding the current Quarter shall be aggregated with the current Quarter's claims for the purpose of calculating Rebates and Administrative Fees.

(d) Lilly Payment. Lilly will make payment of Rebates and Administrative Fees to PBM in accordance with the Manufacturer Payment Terms.

(e) Payment Disputes. If Lilly in good faith believes that some portion of the amount invoiced was in error, Lilly will pay all undisputed amounts in accordance with the terms of this Agreement and Lilly will notify PBM in writing, consistent with Section 8(c), of its dispute within sixty (60) days of receipt of the applicable Utilization Reports, specifying in reasonable detail the nature of the dispute, and identify the portion of the invoice disputed, using the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively a Disputed Claim Report in the format set forth in Exhibit B, to enable PBM to attribute the disputed funds to the appropriate Part D Plan. Within sixty (60) days of receiving notification of dispute in accordance with this Section, PBM shall provide a written response to Lilly. In the event PBM validates any such disputed amount, within thirty (30) days of providing the written response, PBM shall provide Lilly with a credit in the amount of the applicable validated portion of any such disputed amount against any subsequent amounts due hereunder. The parties shall cooperate in good faith to correct any errors found with respect to Lilly's dispute calculations and make appropriate adjustments to future billings in accordance with any such corrections. With respect to any dispute arising under this Agreement and specifically concerning whether or not a Product was or is on a Plan Formulary, such determination shall be based upon the Plan Formulary as reflected in PBM's system and/or records at the time the applicable Product was dispensed to the Member.

(e) Lilly Change in Control. In the event there is a Change in Control" (as defined below), Lilly shall notify PBM in writing promptly thereafter. For purposes of this Section, a "Lilly Change in Control" means: (i) an event whereby any person or entity shall become the "beneficial owner" (as defined in Rule 13d-3 under the Securities and Exchange Act of 1934), directly or indirectly, of fifty percent (50%) or more of the securities of (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of fifty percent (50%) or more of the assets of or any of its Affiliates (other than sales in the ordinary course of business); or (iii) any merger or consolidation to which Lilly is a party except for a merger in which is the surviving entity.

(f) Product Discontinuation. Should Lilly discontinue the manufacturing, distribution or marketing of a Product or a Product NDC in the United States ("Discontinued Product"), other than a discontinuation resulting from a sale, transfer or assignment of a Product or Product NDC, then Lilly shall provide prompt notice thereof to PBM and Lilly shall pay Rebates and Administrative Fees until such date that the Discontinued Product is no longer captured by PBM's claims systems or until the expiration date of the last lot of such Discontinued Product whichever is earlier.

(g) Product Unavailability. Lilly shall have no obligation under this Agreement to pay PBM any amount by reason of an item being unavailable including, but not limited to, extra costs or additional expenses incurred in purchasing from alternate sources.

(h) Product Transfer. If Lilly discontinues the manufacturing, distribution or marketing of a Product or a Product NDC in the United States as a result of a sale, transfer or assignment of a Product or Product NDC ("Transferred Product"), then Lilly shall provide prompt notice thereof to PBM and Lilly shall continue to pay Rebates and Administrative Fees on utilization of any existing or new NDC introduced by Lilly utilizing a Lilly labeler code (pursuant to Section 3.L "NDC list") of Transferred Product for the remaining term of this Agreement; provided PBM shall release Lilly from its obligation to pay Rebates and Administrative Fees on such Transferred Product if PBM executes a rebate agreement with the acquirer at rates and terms for the Transferred Product equivalent to or greater than those set forth in this Agreement.

(i) LTC Pharmacy. Lilly acknowledges that current business practice deems claims from Part D Plan Members who reside in a Long Term Care Facility eligible for rebates as long as conditions to rebate are met.

(j) Ineligible Claims. Claims dispensed by Indian Health Services pharmacies, claims dispensed by Veteran's Administration pharmacies, and claims submitted by a 340B Covered Entity, subject to a rebate or discount from Lilly pursuant to the Public Health Service 340B Drug Pricing Program are not eligible for Rebates.

(k) Medicare Coverage Gap. Notwithstanding any provision to the contrary in this Agreement, Rebates and Administrative Fees shall be payable on Product eligible for Rebate under the provisions of this Agreement dispensed to Members by Participating US Pharmacies and Participating PR Pharmacies during the Medicare Coverage Gap, without offset of any nature and regardless of any payment obligation of Lilly on such utilization under the Medicare Coverage Gap Discount Program.

(l) NDC List. For each Competitive Category, Lilly shall provide to PBM a list of all the Products and all competitor products in the Competitive Category not less than thirty (30) days prior to the commencement of each calendar Quarter. Such list shall exclude over-the-counter products, repackaged products and NDC numbers for products that have been expired for more than three (3) years. If PBM in good faith believes that the list or some portion of the list includes products that should not be included, PBM will notify Lilly in writing of its dispute within fifteen (15) days of receipt of the list, specifying in reasonable detail the nature of the dispute. PBM and Lilly shall work together to promptly resolve any such dispute. If Lilly introduces a new package size of a Lilly Product during the term hereof, such new package size of the Lilly Product shall automatically be included in Exhibit C with rebate rates equivalent to those set forth in Exhibit C unless PBM notifies Lilly, in writing, of PBM's desire not to add such new package size within thirty (30) days after Lilly has notified PBM of such new addition. If the appropriate rebate rates for a new presentation are not apparent from the description of the presentation and the rates included in Exhibit C, Lilly and PBM shall negotiate in good faith to determine the appropriate rates.

(m) Non-Duplication of Discounts. Lilly will not pay discounts or Rebates based on the same unit utilization for a Lilly Product to more than one entity. If, during the effective term of this Agreement, it is discovered that Lilly is under contract to pay duplicate discounts or Rebates for Products dispensed to Part D Plan Members to another organization, including but not limited to either a State Medicaid program or any Entity receiving discounted pricing as a Covered Entity under Section 340B of the Public Health Service Act, then Lilly will only honor the agreement with the party with whom Lilly first had an obligation to pay discounts or Rebates with respect to such units.

4. LEGAL COMPLIANCE, WARRANTIES & INDEMNITY.

(a) PBM Warranties Pertaining to Rebates. PBM represents and warrants that: (i) it has or will disclose to each Part D Plan Sponsor for their respective Part D Plans that it receives rebates from pharmaceutical manufacturers; (ii) it will disclose to each Part D Plan Sponsor for their respective Part D Plans the amount of the Rebates paid under this Agreement; (iii) it has or will make all disclosures and submit all reports to Part D Plan Sponsors and to CMS regarding the Rebates payable pursuant to the Program to the extent such disclosures are required by applicable law or by contractual commitments undertaken by PBM and/or as otherwise explicitly required under this Agreement; (iv) it will remit such Rebates and administrative fees to Part D Plan Sponsors to the extent required by applicable law or by contractual commitments undertaken by PBM or as otherwise explicitly required under this Agreement; (v) it will, in order to ensure complete transparency with Part D Plans, provide upon Part D Plans' request, a copy of this Agreement to all Part D Plans; and (vi) in the event PBM or any of its Affiliates is a Part D Plan Sponsor, such Part D Plan Sponsor will, to the extent required by applicable law or regulation, including MMA and the Federal anti-kickback statute, treat any payments received on behalf of Part D Plans that it owns or its affiliates own under this Agreement as price concessions, including appropriate reporting and disclosures to CMS. PBM acknowledges that Lilly is relying upon this representation and warranty in entering into this Agreement.

(b) PBM Warranties Pertaining to Administrative Fee. PBM represents and warrants that it is authorized by contract with each Part D Plan Sponsor for each of their respective Part D Plans to collect the Administrative Fee described hereunder and that it shall report the value of the Administrative Fee to each of its Part D Plan Sponsors for their respective Part D Plans on an annual basis to the extent required by applicable federal, state and local law and regulations (including, without limitation, to the extent required, pursuant to any guidance issued by the Center for Medicare and Medicaid Services) or by contractual commitment with its Part D Plan Sponsors for their respective Part D Plans or as otherwise explicitly required under this Agreement. In addition PBM, hereby agrees that it shall: (i) disclose to each Part D Plan Sponsor for their respective Part D Plans, in the prescription benefit management service agreement between PBM and the Part D Plan Sponsor, that it receives an Administrative Fee under this Agreement and that such administrative fee does not exceed three percent (3%) of the WAC of the product dispensed to the Part D Plan's participants; (ii) make any and all disclosures pertaining to Administrative Fees received under this Agreement to Part D Plan Sponsors for their respective Part D Plans as may be reasonably necessary for the Part D Plan Sponsors and/or Part D Plans to comply with MMA including, without limitation, any disclosure/reporting obligation that Part D Plan Sponsors and/or Part D Plans may have to the federal government under MMA; and (iii) furnish, in order to ensure complete transparency with Part D Plan Sponsors for each of their respective Part D Plans, upon a Part D Plan Sponsor's request, a copy of this Agreement to such Part D Plan Sponsor or its agent or representative, as determined by the Part D Plan Sponsor. PBM acknowledges that Lilly is relying upon this representation and warranty in entering into this Agreement. Lilly also recommends that PBM disclose to the Part D Plan Sponsors for each of their respective Part D Plans at least annually that it receives an administrative fee from Lilly under this Agreement and that such Administrative Fee does not exceed three (3%) percent of the sales of Product under this Agreement; PBM agrees to make such disclosure to the extent required by applicable federal, state or local law and regulations (including, without limitation, any guidance issued by the Center for Medicare and Medicaid Services). Except for utilization of Affiliated Plans (which the parties hereby agree that PBM shall not be entitled to an Administrative Fee with respect to Quarterly Utilization of such Plans, PBM further represents and warrants to Lilly that all Part D Plan Sponsors and their respective Part D Plans are neither wholly owned by PBM nor subsidiaries/affiliates (including without limitation Caremark Rx, Inc. and/or AdvancePCS) of a parent corporation that wholly owns PBM (either directly or through another wholly-owned entity). PBM acknowledges that Lilly is relying upon this representation and warranty in entering into this Agreement.

(c) Indemnification. PBM shall indemnify, defend and hold harmless Lilly and its Affiliates and their respective officers, directors, employees, agents and subcontractors (collectively, "Lilly Indemnitees") from

any and all claims, demands, actions, causes of action, losses, liabilities, judgments, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and costs of settlement) (collectively, "Losses") that the Lilly Indemnitees, or any of them, may suffer as a result of the negligence or willful misconduct of PBM. Lilly shall indemnify, defend, and hold harmless PBM and its Affiliates and their respective officers, directors, employees, agents and subcontractors (collectively, "PBM Indemnitees") from any and all Losses that the PBM Indemnitees, or any of them, may suffer that arise from or relate to: (i) third party litigation against PBM claiming that the use of Product as manufactured (i.e. the condition of the Product as of the date of shipment from Lilly's facilities) in accordance with its FDA approved label, caused the death of, or bodily injury to, any person; (ii) any recall, quarantine, warning or withdrawal of any Product; (iii) any breach by Lilly of any of its representations, warranties, covenants or agreements contained in this Agreement; (iv) any third party litigation against PBM claiming that the use of a Product as manufactured (i.e. the condition of the Product as of the date of shipment from Lilly's facilities) in accordance with its FDA approved label, infringes on the patent or trademark of any third party; or (v) the negligence or willful misconduct of Lilly

(d) Product Recall. Any Product subject to a total Product recall shall be deemed removed from this Agreement effective five (5) business days after written notice from Lilly. In the event that a Product covered by this Agreement is the subject of a recall, market correction or other instance in which prompt notification of Members and/or Part D Plans is required or advisable per Food and Drug Administration guidance, both parties agree to negotiate in good faith to determine responsibility for the expenses of such activities. The recall of a Product from this Agreement shall not affect Lilly's obligations set forth in this Agreement with respect to the Product and Lilly shall remain liable for payment of Rebates and administrative fees for Product(s) dispensed prior to the effective date of such recall notice.

(e) Insurance. Lilly shall maintain in effect during the term of this Agreement a comprehensive general liability policy, and Lilly shall promptly after the execution of this Agreement designate PBM as an additional insured on such policy, and such insurance will be primary insurance with respect to PBM. The policy shall be underwritten by an insurance company that carries an A- or better rating from A.M. Best. This comprehensive insurance policy shall be in an amount not less than Three Million Dollars (\$3,000,000) per occurrence. The insurer shall provide thirty (30) days' notice to PBM in the event of any adverse material modifications, cancellation, or termination thereof. Lilly shall provide PBM with a certificate of insurance naming PBM as additional insured upon request. The amount of such required insurance coverage under this Section shall not limit Lilly's obligations under this Agreement.

(f) Non-Solicitation. Lilly and PBM further agree that if Lilly receives an unsolicited request from a Part D Plan Sponsor or Part D Plan advising Lilly that it has (or PBM has) terminated (or otherwise no longer has an effective Rebate Contracting Services agreement with PBM), or has sent effective notice of termination of, its Rebate Contracting Services agreement with PBM and provided that Lilly confirms with PBM that PBM will no longer be providing Rebate Contracting Services to the Part D Plan Sponsor or Part D Plan (provided if no response is received from PBM within ten (10) business days of Lilly's communication of the unsolicited request in accordance with the notice requirements set forth in this Agreement, PBM will be deemed to have confirmed the termination or pending termination of the Rebate Contracting Services agreement), Lilly may enter into a Pricing Agreement (including any discussions related thereto) with the Part D Plan Sponsor or Part D Plan.

(g) Safe Harbor. It is the intention of the parties that the Rebates paid hereunder qualify for safe harbor protection under the Federal Anti-Kickback Statute pursuant to the "Discount Safe Harbor," 42 C.F.R. 1001.952(h) and the Administrative Fees paid hereunder qualify for safe harbor protection under the Federal Anti-Kickback Statute pursuant to the "GPO Safe Harbor," 42 C.F.R. 1001.952(j). PBM represents and warrants that it meets all applicable requirements under the "GPO Safe Harbor," 42 C.F.R. 1001.952 (h) with respect to receiving Administrative Fees under this Agreement. In connection with any payment of Rebates and Administrative Fees hereunder, PBM represents and warrants that it has or will make all disclosures and submit all reports to Part D Plan Sponsors and to CMS regarding such payments made under this Agreement to the extent such disclosures

are required by applicable law, by contractual commitments undertaken by PBM and/or as otherwise explicitly required under this Agreement including, without limitation, PBM's compliance with its representations and warranties as set forth in Section 4(a) and 4(b) of this Agreement. In connection with the "Discount Safe Harbor," 42 C.F.R. 1001.952(h), PBM represents and warrants that (i) the Part D Plans are the buyers of all Product covered in this Agreement, and (ii) PBM has notified each Part D Plan Sponsor for their respective Part D Plans, or will notify each Part D Plan Sponsor for their respective Part D Plans with the first Quarterly Rebate submission to the Part D Plan Sponsor, of each Part D Plan Sponsor's obligation with respect to its Part D Plans to comply with applicable requirements of the Discount Safe Harbor by properly disclosing and appropriately reflecting all Rebates or other remunerations paid hereunder in the costs claimed or the charges made under federal health care programs (including the Medicaid and Medicare programs) and applicable state or private programs.

(h) **Lilly Warranties.** Lilly represents and warrants that Lilly will, to the extent required by applicable law or regulation or contractual commitment, including MMA and the Federal anti-kickback statute, properly disclose and report the payments made pursuant to the this Agreement to CMS and to other government programs and third parties. Lilly further represents and warrants that the Products, as of the date of shipment from Lilly's facilities: (i) are free from defect in design, material and workmanship; (ii) are in compliance with applicable law and all regulatory requirements of the Food and Drug Administration ("FDA"), including those related to the adulteration or misbranding of products within the meaning of Sections 501 and 502 of the Food Drug and Cosmetics Act ("FDCA"); (iii) are not articles which may not be introduced into interstate commerce pursuant to the requirements of Sections 505, 514, 515, 516 or 520 of the FDCA; (iv) have been manufactured in accordance with current FDA Good Manufacturing Practices as required by 21 C.F.R. §§ 210 and 211; (v) are not infringing upon the patents or trademarks of any third party; and (vi) have been approved by the FDA pursuant to Section 505 of the FDCA and Section 351 of the Public Health Service Act. Lilly acknowledges that PBM is relying upon these warranties in entering into this Agreement.

5. **CONFIDENTIAL INFORMATION.**

(a) **General.** PBM and Lilly shall maintain the confidentiality of any confidential and/or proprietary information of the other party, including, but not limited to, any confidential pricing, marketing or product information; Part D Plan lists and information; information on invoices and reports provided by PBM to Lilly ("Claims Data"); the terms of this Agreement; the existence of a dispute and any information generated pursuant to same; and any other non-public information or documents provided by one party to the other hereunder (collectively, "Confidential Information"). Such Confidential Information shall not be disclosed to the receiving party's employees or representatives or to any third party, or used by or for the benefit of such party or any third party, directly or indirectly, except as may be necessary to carry out or enforce this Agreement. Neither PBM nor Lilly shall use the name of the other party, including any tradename or trademark, in any advertising or promotional materials or in any communication without prior written consent of such other party; provided, however, that PBM may reference Lilly and the Products in product informational communications. The foregoing notwithstanding, the restrictions of this Section shall not apply to information: (i) which is required to be disclosed by law (including for purposes of government contracts), including without limitation, MMA, or for purposes of resolving a dispute consistent with the dispute resolution process set forth herein, (ii) which the receiving party can show was known to it prior to the disclosure by the disclosing party, (iii) which is or becomes public knowledge through no fault of the receiving party, (iv) which is lawfully disclosed to the receiving party by a third party; or (v) which a Part D Plan Sponsor, or its agent or representative, reviews in connection with an audit of its agreement with PBM and disclosure of the terms and conditions of this Agreement is reasonably necessary in such context; provided, the receiving party has agreed in writing to hold such documents in confidence prior to receipt of any such Confidential Information. The foregoing notwithstanding, PBM shall have the right to disclose the terms of this Agreement to a Part D Plan Sponsor, or its agent or representative, in connection with the Part D Plan Sponsor's review of a Product's status on a Plan Formulary; provided, the receiving party has agreed in writing to hold such documents in confidence prior to receipt of any such Confidential Information.

(b) Return of Information upon Termination. Immediately upon the expiration or termination of this Agreement, PBM and Lilly shall cease use of and, upon request, deliver to the other party all Confidential Information of the other party that such party may have in its possession or control; provided that one copy may be kept for archival purposes (subject to the confidentiality requirements of this Agreement).

(c) Use of Third Party for Rebate Validation Services. In the event Lilly desires to engage a third party to provide rebate validation, claim processing or other services relating to this Agreement, such third party must be mutually acceptable to the parties and enter into a confidentiality agreement with PBM prior to the disclosure by Lilly to such third party of any Claims Data or other Confidential Information.

6. MAINTENANCE OF RECORDS & AUDIT RIGHTS.

(a) Record Retention. The parties hereto shall maintain records relating to their obligations and responsibilities under this Agreement.

(b) Audit Rights.

(i) PBM will make available for audit a sample of relevant records of PBM relating to the performance of this Agreement for the purpose of confirming the accuracy of invoices issued by PBM hereunder. The foregoing notwithstanding, PBM shall not be required to disclose any Member identifiable information or any information that PBM is barred from disclosing by an obligation of confidentiality to a third party. Parties agree to an audit sample size of not less than one hundred and fifty (150) claims.

(ii) Lilly shall be limited to a single audit per Rebate Contract Year of records pertaining to no more than four (4) Quarters. Such audit may be conducted during the term hereof or the one (1) year period thereafter during normal business hours and upon at least thirty (30) days prior written notice (which notice shall specify the purpose and scope of the audit and the time period to be audited). An audit of the records pertaining to a given Quarter must be commenced, by providing notice of such audit within the four (4) Quarters immediately following the end of the Quarter that is the subject of the audit. No audit for this Agreement may be commenced until all prior audits are final and closed. Only Quarters with invoices paid by Lilly with no open dispute may be the subject of an audit. No audit results may be extrapolated or otherwise applied to any Quarter that is not the subject of an audit.

(iii) Audits will not be performed by Lilly's personnel, but by a third party auditor selected by Lilly ("Third Party Auditor"). The Third Party Auditor must be approved by PBM (which such approval shall not be unreasonably withheld) and must sign a confidentiality agreement with PBM before performing an audit. Lilly will be responsible for all costs incurred in the performance of any audit.

(iv) In addition to the above requirements and limitations, any audit desired by Lilly shall be limited to PBM approved documents which approval shall not be unreasonably withheld for those documents essential to verify the PBM's performance and compliance with its obligations under this Agreement except for privileged and confidential documents and shall be conducted as follows: (A) within thirty (30) days of receipt of a Lilly audit notice, PBM shall deliver a confidentiality agreement to the Third Party Auditor, and (B) within sixty (60) days of PBM's receipt of both the executed confidentiality agreement and acceptance by PBM of a complete sample data request from the Third Party Auditor, PBM shall schedule the Third Party Auditor for an on-site review and audit of the relevant data at the PBM facility designated by PBM.

(v) The Third Party Auditor shall provide a list of follow up questions within 30 days of the onsite audit and PBM will respond within thirty (30) days of receipt of the list. The Third Party Auditor shall provide to PBM a draft of the final audit report ("Draft Final Audit Report") containing the proposed findings of the audit within ninety (90) days of the onsite audit. PBM will have thirty (30) days to provide written responses to the Draft Final Audit Report. If the applicable findings to which PBM provided responses are included in the final audit report ("Final Audit Report"), the PBM responses will also be included in the Final Audit Report (excluding any PBM confidential information or supporting documentation). Lilly shall deliver the Final Audit Report and any assertion of overpayment or underpayment within sixty (60) days of PBM's delivery of written responses to the Preliminary Audit Report. Absence a reasonable basis for delay, failure to deliver the Preliminary Audit Report or the Final Audit Report, including any assertion of overpayment, within the time frames specified above shall result in the audit being deemed closed with no amounts owed by PBM to Lilly. PBM will have sixty (60) days to submit objections to any assertion of overpayment. If PBM submits objections to an assertion of overpayment, Lilly may, within thirty (30) days of receipt of the objections, notify PBM of its agreement with PBM's objections or submit the dispute to the Dispute Resolution process set forth in Section 8(h). Failure to respond within such thirty (30) day period shall be deemed acceptance of the PBM's objections. Lilly will not start a subsequent audit prior to the closing of any preceding audit, including any reports or disposition of any findings; provided that if the parties have been working in good faith to resolve audit issues, Lilly may send notice of subsequent audit and preserve time periods for audit consistent with this Section, despite such audit not beginning until the previous audit is concluded.

(c) Overpayments & Underpayments. If as a result of an audit or otherwise, the parties agree in writing that all or any part of any payment by Lilly to PBM was in excess of that required pursuant to this Agreement, PBM shall arrange for the appropriate refund to Lilly of such overpayment within sixty (60) days of such determination; provided, however, that no refund shall be given for any overpayment made by Lilly based on a rebate claim from PBM submitted more than twelve (12) months or twenty five (25) months, if the overpayment is identified in the course of an audit, prior to the date PBM receives written notice from Lilly of such overpayment. At PBM's option, any overpayment may be credited against amounts subsequently due under this Agreement. If the parties agree that Lilly has failed to pay to PBM all amounts required pursuant to this Agreement, Lilly shall make payment of such amount to PBM within sixty (60) days of such determination; provided, however, that no payment shall be made for any underpayment based on a rebate claim from PBM submitted more than twelve (12) months or twenty five (25) months if the underpayment is identified in the course of an audit, prior to the date Lilly receives written notice from PBM of such underpayment. If reasonable delays occurred during the course of the audit, the submission period for the rebate claim may be extended as mutually agreed to.

7. TERM AND TERMINATION.

(a) Term. The initial term of this Agreement shall commence on the Effective Date and continue thereafter until December 31, 2022.

(b) Termination With Cause. PBM or Lilly may terminate this Agreement upon written notice to the other party: (i) if the other party breaches any term of this Agreement and such breach is not cured within thirty (30) days of written notice thereof; or (ii) if the other party files a petition in bankruptcy, is adjudicated bankrupt, makes a general assignment for the benefit of its creditors, or is voluntarily or involuntarily dissolved.

(c) Supervening Illegality.

(i) This Agreement shall terminate if both: (A) as a result of the enactment of any new applicable federal or state law or regulation, or any change in any existing applicable federal or state law or regulation or any new interpretation of any applicable federal or state law or regulation by

any court or regulatory agency, (i) if the performance by a party of any material obligation under this Agreement would be rendered illegal or any material provision of this Agreement would be rendered invalid or unenforceable, (ii) if any material obligation under this Agreement would become materially less valuable or more burdensome to Lilly or PBM, or (iii) the economic conditions underlying this Agreement are materially changed, and (B) the parties are unable to negotiate a mutually acceptable amendment to this Agreement pursuant to Section 7(c)(iii) below. If any immaterial provision of this Agreement is held to be illegal, invalid or unenforceable for any reason, this Agreement shall be deemed amended to delete such provision, such amendment to apply only with respect to the operation of this Agreement in the particular jurisdiction in which such provision is held to be illegal, invalid or unenforceable, and the remainder of this Agreement shall remain in full force and effect and enforceable in accordance with its terms.

(ii) The parties agree that the party affected by the new law or regulation or the change in law or regulation or the interpretation of a law or regulation shall use reasonable efforts to give the other party at least sixty (60) days prior written notice of the effective date of such new law, change, or interpretation.

(iii) The parties agree that, notwithstanding the foregoing provisions of this Section, either party may, within ten (10) business days of giving or receiving notice of the new law, change, or interpretation, notify the other party of its wish to renegotiate the applicable terms of this Agreement ("Renegotiation Notice"), in which event the parties shall negotiate in good faith, for a period of sixty (60) days from delivery of the Renegotiation Notice, an amendment to this Agreement that addresses the portion of this Agreement rendered illegal, invalid or unenforceable by the new law, change, or interpretation while preserving to the greatest extent possible the original intent of this Agreement. If the parties successfully conclude such negotiations prior to the effective date of the new law, change, or interpretation, this Agreement shall not terminate and shall be amended to reflect the negotiated terms. If the parties are unable to successfully conclude such negotiations prior to the effective date of the new law, change, or interpretation and such effective date is within the sixty (60) day negotiation period, negotiations shall continue but this Agreement shall be deemed amended to delete such portion rendered illegal, invalid or unenforceable, such amendment to apply only with respect to the operation of this Agreement in the particular jurisdiction in which such portion is held to be illegal, invalid or unenforceable, and the remainder shall remain in full force and effect and enforceable in accordance with its terms, subject to the subsequent sentence. In the event the parties are unable to successfully conclude such negotiations within the sixty (60) day negotiation period, this Agreement shall terminate at the end of the sixty (60) day negotiation period.

(d) Survival. Termination or expiration of this Agreement for any reason shall not release any party from any liability which at the time of termination or expiration has already accrued to another party or which thereafter may accrue with respect to any act or omission occurring prior to termination or expiration, including, without limitation, Lilly's obligation to pay Rebates and Administrative Fees in accordance with this Agreement for Product(s) dispensed prior to the date of termination or expiration. Without limiting the generality of the foregoing, Sections 4, 5, 6 (for a period of one year), 7(d) and 8 shall survive any such termination or expiration and, notwithstanding the removal of a Product from this Agreement, Section 4 shall continue to apply with respect to Product dispensed prior to such removal.

8. GENERAL PROVISIONS.

(a) Formulary Independence. Except as may otherwise be explicitly provided in this Agreement to the contrary, nothing in this Agreement shall be deemed or construed to in any way limit the ability of PBM to intervene against, or otherwise conduct formulary activities with respect to, any product of Lilly. Nothing in this Agreement shall be construed to require PBM to take any action in contravention of, or refrain from taking any

action required by, the Plan design or its agreement with a particular Part D Plan Sponsor. Nothing in this Agreement shall be construed to limit the ability of PBM, including PBM's P&T Committee, to remove or add products from or to any drug list or formulary or to limit the ability of any Part D Plan to remove or add products from or to its Plan Formulary, even though such products may compete directly with one or more Products.

(b) Entire Agreement; Amendment; Waiver. This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior oral and written negotiations, representations, agreements and understandings of the parties with respect thereto. Except as expressly provided herein, this Agreement may not be amended or modified except by a written instrument signed by all parties hereto. No waiver or discharge of any breach of this Agreement shall be effective unless it is in writing signed by all parties hereto. Any waiver of any breach of any provision of this Agreement shall not be a waiver of any subsequent breach of the same or of any other provision of this Agreement. This Agreement shall be construed without regard to the party that drafted it. Any claimed ambiguity shall not be interpreted against either party, but shall, instead, be resolved in accordance with other applicable rules governing the interpretation of contracts.

(c) Notices. Any notice given under this Agreement shall be deemed received if in writing and if sent by hand delivery, secured digital transfer, overnight courier which provides confirmation of delivery, or certified mail, return receipt requested, sent to the applicable party at the following addresses:

If to PBM:
CVS Caremark
2211 Sanders Road
Northbrook, IL 60062
Attn: Senior Vice President, Trade Relations

If to Lilly:
Eli Lilly and Company
Lilly Corporate Center
DC 5126
Indianapolis, Indiana 46285
Attn: Contract Administrator

with a copy to:
CVS Caremark
9501 E. Shea Blvd.
Scottsdale, AZ 85260
Attn: Vice President, Manufacturer Contracting, Law Department

or to such other address or to the attention of such other person as a party may designate in writing given pursuant to this Section. Notices sent by certified mail shall be deemed received three (3) business days following mailing.

(d) Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the internal laws of the State of Delaware. No provision of this Agreement shall be applied or construed in a manner inconsistent with applicable state and federal laws and regulations.

(e) Assignment. Neither party shall have the right to assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed, provided however, either party (or its permitted assignees) may assign this Agreement (in whole or in part) to any entity that it owns, controls, is controlled by, or is under common control of the assigning party in a manner such that the assigning party shall remain liable and responsible for the performance and observance of all its duties and obligations hereunder. This Agreement shall inure to the benefit of and be binding upon each party, its successors and permitted assigns.

(f) Headings. The section headings contained herein are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

(g) Independent Contractors. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating a relationship of employer and employee, principal and agent, or joint venture of the parties hereto; it being understood and agreed that no provision contained in this Agreement nor any acts of the parties hereto shall be deemed to place PBM in any relationship with Lilly other than as an independent contractor.

(h) Dispute Resolution. In the event of a dispute between the parties, either party may, by written notice to the other party ("Dispute Notice"), request a meeting of authorized representatives of the parties for the purpose of resolving the dispute. The parties agree that, within ten (10) days after issuance of the Dispute Notice, each party shall designate a representative to participate in dispute resolution discussions which will be held at a mutually acceptable time and place (or by telephone) for the purpose of resolving the dispute. Each party agrees to negotiate in good faith to resolve the dispute in a mutually acceptable manner. If despite the good faith efforts of the parties, the authorized representatives of the parties are unable to resolve the dispute within thirty (30) days after the issuance of the Dispute Notice, or if the parties fail to meet within such thirty (30) day period, either party may claim, assert, and/or see any legal remedy available under law or equity. Furthermore, the foregoing shall not affect the right of either party to at any time seek appropriate equitable relief to enforce any provision of this Agreement where a party reasonably believes that immediate action is necessary in order to avoid imminent harm or damage. Notwithstanding any provision in this Agreement to the contrary, in no event, as a result of any such dispute resolution process or otherwise, shall a party be liable under this Agreement for the payment of any consequential, punitive, incidental or special damages incurred by the other party.

(i) Authority and Disclosure. PBM represents and warrants that it is a designated sub-contractor for each Part D Plan Sponsor for their respective Part D Plans and that it is exclusively authorized to enter into this Agreement on behalf of each Part D Plan Sponsor for their respective Part D Plans. PBM agrees to make any and all disclosures as required under applicable federal, state, and local law and regulations including, without limitation, disclosing all payments hereunder to Part D Plan Sponsors for their respective Part D Plans to ensure that the Part D Plan Sponsors for their respective Part D Plans at all times can accurately report and disclose such payments as required under MMA. PBM acknowledges that Lilly is relying upon this representation and warranty in entering into this Agreement.

(j) Compliance With Law. The parties shall comply with all applicable state and federal laws and regulations in the performance of their obligations under or connected with this Agreement including without limitation all applicable "safe harbor" regulations set forth in Section 4(g). Furthermore, PBM agrees that it will comply with applicable provisions of the MMA including, without limitation, applicable provisions pertaining to properly disclosing, to either the Federal government or other appropriate agencies thereunder, Rebates and any other remunerations paid under this Agreement including, without limitation and to the extent applicable, making all disclosures to Part D Plan Sponsors for their respective Part D Plans necessary for such Part D Plan Sponsor for their respective Part D Plans to comply with their disclosure requirements under MMA and any other applicable laws. Each party acknowledges that the other party is relying upon this representation and warranty in entering into this Agreement.

(k) Force Majeure. Noncompliance with the obligations of this Agreement for reasons of force majeure including without limitation, acts of God; acts, regulations or laws of any government; war or civil commotion; destruction of production facilities and materials; fire, earthquake or storm; labor disturbances; failure of public utilities or common carrier; or any other causes beyond the reasonable control of the parties, shall not constitute breach of contract.

(l) Product Use. PBM certifies that to the best of its knowledge each Participating US Pharmacy and Participating PR Pharmacy dispenses all Products for which PBM receives reimbursement under the terms of this Agreement only to Members "FOR OWN USE."

(m) New Product Class. If Lilly introduces any new Product Class during the term of this Agreement, the parties will discuss adding such Product Class to this Agreement pursuant to mutually acceptable terms agreed upon by PBM and Lilly.

(n) Regulated Price Reduction. If Lilly is required by any state or federal law or regulation to reduce its prices to others (or pay discounts or rebates to others) because of the rebates to PBM, Lilly and PBM shall negotiate in good faith, options to reduce or offset Lilly's liability arising under such law or regulation.

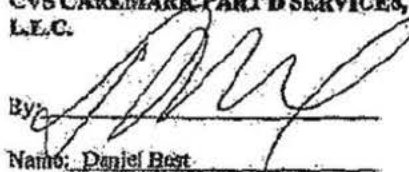
(o) Counterparts. This Agreement may be executed in counterparts which taken together shall constitute one agreement. This Agreement must be manually signed and may be delivered by facsimile or e-mail (in PDF format) and upon such delivery the facsimile or PDF signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

[NEXT PAGE IS SIGNATURE PAGE]

CONFIDENTIAL

IN WITNESS WHEREOF, parties have caused this Agreement to be executed by their duly authorized officers or representatives as of the Effective Date.

CVS CAREMARK PART D SERVICES,
L.L.C.

By: 

Name: Daniel Best

Title: Vice President, Trade Relations

Date: 12/21/17

ELI LILLY AND COMPANY

By: Lisa Houze 12/13/17

Name: Lisa Houze

Title: National Account Manager, Lilly USA

ELI LILLY EXPORT, S.A.,
PUERTO RICO BRANCH

By: Victoria SBrown 

Name: Victoria SBrown

Title: Country Manager, PRSA

Date: 12/14/17

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07904802141849-8124-5521.v3

CVS Health
Contract
Ops

Exhibit A
Reconciliation Report

Payment Reconciliation Report

Invoice Period	Contract	Claim ID	Aggregated Level	Plan ID Code (aka Client ID)	Product Code (aka NDC)	Paid Unit Quantity	Paid Unit Price	Paid Admin Fee Rate	Paid Base Rate	Paid Market Share Rate	Paid Admin Fee \$\$\$	Paid Base \$\$\$	Paid Market Share \$\$\$

07904\00214\4849-8124-5521.v3

Exhibit B
Disputed Claim Report

Excluded Claims Reconciliation Report

Claim Number	Claim ID	Plan ID Code (aka Client ID)	Product Code (aka NDC)	Prescription Reference Number (aka Rx #)	Pharm ID Code	Date Filled	Refill Code	Reason

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EXHIBIT C
REBATES & ADMINISTRATIVE FEES
(Effective January 1, 2018)

A. **2018- 2022 - Base Rebates - Fixed Price.** The Fixed Price shall be applicable for Products dispensed to Members. The Fixed Price and Rebate table below reflects a fixed price which shall not increase during the term of the Agreement and a guaranteed rebate percentage which shall not decrease during the term of the Agreement:

⁽¹⁾Lilly must include all NDC's, strengths and package sizes of each Product. Lilly is required to validate the NDC's numbers listed below. Rebates will be paid on any active NDC's not listed below, and such NDC's will be added as described in Section 3.L.

⁽²⁾Number of Units Per NDC that Fixed Price is based on (ex. \$100 Fixed Price Per NDC / 10 Units = \$10 Fixed Price Per Unit entered)

Affiliated PDP Plans (Effective 1/1/2018 - 12/31/2022)												
Product Name	NDC # ⁽¹⁾	Units Per NDC ⁽²⁾	Administrative Fee	Baseline Rebate % (Note 14)	2018 Fixed Price Per Unit (Note 15)	2019 Fixed Price Per Unit (Note 15)	2020 Fixed Price Per Unit (Note 15)	2021 Fixed Price Per Unit (Note 15)	2022 Fixed Price Per Unit (Note 15)	Plan Formula ry Status	Limitation on Competing Products Listed	Additional Conditions to Rebate (Note 10, Note 11)
Basaglar - Affiliated PDP Plans	00002771559	15	0%	69.5%	\$6.83	\$7.24	\$7.67	\$8.13	\$8.62	Tier 2 (Note 1(d))	1 of 2 Manufacturer Status	Exclusive Insulin Glargine - Note 1, Note 1a, Note 1c, and Note 1d
Trulicity - Affiliated PDP Plans	00002143380 00002143480	2										

Affiliated EGWP Plans (Effective 1/1/2018 – 12/31/2022)												
Product Name	NDC # ⁽¹⁾	Units Per NDC ⁽²⁾	Administrative Fee	Baseline Rebate % (Note 14)	2018 Fixed Price Per Unit (Note 15)	2019 Fixed Price Per Unit (Note 15)	2020 Fixed Price Per Unit (Note 15)	2021 Fixed Price Per Unit (Note 15)	2022 Fixed Price Per Unit (Note 15)	Plan Formulary Status	Limitation on Competing Products Listed	Additional Conditions to Rebate (Note 10; Note 12)
Basaglar - Affiliated EGWP Plans - Open	00002771559	15	0%	1%	\$22.17	\$23.50	\$24.91	\$26.40	\$27.98	Preferred Brand Tier	1 of 2 Manufacturer Status	Exclusive Insulin Glargine - Note 1, Note 1a, Note 1c, Note 1e
Basaglar - Affiliated EGWP Plans - Tiered				31%	\$15.45	\$16.38	\$17.35	\$18.40	\$19.50			
Basaglar - Affiliated EGWP Plans - Closed				68%	\$7.17	\$7.60	\$8.06	\$8.54	\$9.05			
Trulicity - Affiliated EGWP Plans - Open	00002143380 00002143480	2										
Trulicity - Affiliated EGWP Plans - Tiered												
Trulicity - Affiliated EGWP Plans - Closed												
Trulicity - Affiliated EGWP Plans - Open												
Trulicity - Affiliated EGWP Plans - Tiered												
Trulicity - Affiliated EGWP Plans - Closed												
Trulicity - Affiliated EGWP Plans - Open												
Trulicity - Affiliated EGWP Plans - Tiered												
Trulicity - Affiliated EGWP Plans - Closed												

Non-Affiliated Plans and Non-Affiliated EGWP Plans (Effective 1/1/2018 – 12/31/2022)												
Product Name	NDC # (1)	Units Per NDC (2)	Administrative Fee	Baseline Rebate % (Note 14)	2018 Fixed Price Per Unit (Note 15)	2019 Fixed Price Per Unit (Note 15)	2020 Fixed Price Per Unit (Note 15)	2021 Fixed Price Per Unit (Note 15)	2022 Fixed Price Per Unit (Note 15)	Plan Formulary Status	Limitation on Competing Products Listed	Additional Conditions to Rebate (Note 10, Note 13)
Basaglar - Non-Affiliated Plans and Non-Affiliated EGWP Plans	00002771559	15	3%	65%	\$7.84	\$8.31	\$8.81	\$9.34	\$9.90	Preferred Brand Tier	1 of 2 Manufacturer Status	Exclusive Insulin Glargine - Note 1, Note 1a, Note 1c, Note 16
				53%	\$10.10	\$10.71	\$11.35	\$12.03	\$12.75	Preferred Brand Tier	1 of 3 Manufacturer Status	Exclusive U-100 Insulin Glargine, Note 1, Note 1b, Note 1c, Note 16
				10%	\$19.70	\$20.88	\$22.13	\$23.46	\$24.87	Preferred Brand Tier	1 of 3 Manufacturer Status	Note 1, Note 1c, Note 16
				20%	\$17.30	\$18.34	\$19.44	\$20.61	\$21.85	Non-Preferred Brand Tier	None	Exclusive Insulin Glargine - Note 1, Note 1a
				15%	\$19.00	\$20.14	\$21.35	\$22.63	\$23.99	Non-Preferred Brand Tier	None	Exclusive U-100 Insulin Glargine, Note 1, Note 1b
				5%	\$21.00	\$22.26	\$23.60	\$25.02	\$26.52	Non-Preferred Brand Tier	None	Note 1
Trulicity - Non-Affiliated Plans and Non-Affiliated EGWP Plans	00002143380 00002143480	2										

	NOTES
Note 1: Basaglar	Competitive Products in the Basal Insulin Competitive Category that determine 1 of 1 Manufacturer Status, 1 of 2 Manufacturer Status or 1 of 3 Manufacturer Status consist of: Basaglar KwikPen, Levemir Vial, Levemir Flexpen, Levemir FlexTouch Pen, Lantus Vial, Lantus Solostar, Tresiba FlexTouch U-100, Tresiba FlexTouch U-200, and Toujeo Solostar.
Note 1a: Basaglar	"Exclusive Insulin Glargine" means that, on both the Preferred Brand Tier and Non-Preferred Brand Tier, Basaglar is the only Insulin Glargine and all other Insulin Glargines have high control mechanisms, such as hard edits, hard prior authorizations, or NDC locks.
Note 1b: Basaglar	"Exclusive U-100 Insulin Glargine" means that, on both the Preferred Brand Tier and Non-Preferred Brand Tier, Basaglar is the only U-100 Insulin Glargine, and all other U-100 Insulin Glargines have high control mechanisms, such as hard edits, hard prior authorizations, or NDC locks.
Note 1c: Basaglar	High control mechanisms such as hard edits, hard prior authorizations, or NDC locks are implemented for Non Preferred Basal Insulin products.
Note 1d: Basaglar	"Tier 2" as described in the Silver Script Plan and Enrollment Guide. "Tier 2" means the adjudication tier on a Formulary designed for products subject to the second lowest Member co-pay amount or co-insurance percentage for prescription products.
Notes 2-8	Reserved for Cialis, Forteo, Glucagon, Humatrope, Humalog and Humulin notes -
Note 9: Trulicity	
Note 9a: Trulicity	
Note 9b: Trulicity	
Note 9c: Trulicity	
Note 10	Unless otherwise noted above, this offer is contingent upon the Product being Unrestricted and not subject to Disadvantaging.
Note 11	Only Affiliated PDP Plans with a Closed Benefit Design shall be eligible for this Rebate.
Note 12	Only Affiliated EGWP Plans shall be eligible for this Rebate.
Note 13	Only Non Affiliated Plans and Non Affiliated EGWP Plans with a Tiered or Closed Benefit Design shall be eligible for Rebates for 1 of 1 Manufacturer Status, 1 of 2 Manufacturer Status, 1 of 3 Manufacturer Status, 1 of 4 Manufacturer Status, or the applicable Non-Preferred Brand Tiers. Listed rates are available for Plans with an Open, Tiered or Closed Benefit Design.
Note 14	"Baseline Rebate Percentage" means the minimum Rebate percentage that PBM will receive per Product and formulary status.
Note 15	The Fixed Price will be used to calculate a Rebate percentage. However, in the in the event the Baseline Rebate Percentage is higher than the effective Rebate percentage that is calculated based on the Fixed Price, the Rebate percentage received by PBM shall not be lower than the Baseline Rebate Percentage.
Note 16	For clarity, effective 1/1/2018 to 12/31/2022 for Basaglar and Trulicity Products placed in a tier that is not the lowest Member co-pay amount or co-insurance percentage available for any Branded Product excluding generic tier(s), regardless of the Competitive Category, are not eligible for this Preferred Brand Tier rebate.
Note 17	For clarity, a Part D Plan that adjudicates all of the GLP-1 Competitive Category's branded, single source prescription products at a higher cost share level (such as third tier or a specialty tier), such higher cost-share level shall be eligible for this Preferred Brand Tier rebate if all other conditions are met.

⁽¹⁾ Lilly must include all NDC's, strengths and package sizes of each Product. Lilly is required to validate the NDCs numbers listed below. Rebates will be paid on any active NDCs not listed below, and such NDCs will be added as described in Section 3.L.

⁽²⁾ Number of Units Per NDC that Fixed Price is based on (ex. \$100 Fixed Price Per NDC / 10 Units = \$10 Fixed Price Per Unit entered)

US-Affiliated PDP Plans – 2018 (Effective 1/1/2018 – 12/31/2018)													
Product Name	NDC # ⁽¹⁾	Units Per NDC ⁽²⁾	Admin	Baseline Rebate % (Note 14)	Preferred Brand Tier (Note 15)	Non Preferred Brand Tier (Note 15)	Specialty Brand Tier (Note 15)		1 of 1 Manufacturer Status (Note 15)	1 of 2 Manufacturer Status (Note 15)	1 of 3 Manufacturer Status (Note 15)	Listed Formulary Status (Note 15)	Additional Conditions to Rebate (Note 10, Note 11)
Cialis 5mg for BPH - Affiliated PDP Plans	0000244623 0 0000244623 4	30											
Forxéo - Affiliated PDP Plans	0000284000 1	2.4											
Glucagon - Affiliated PDP Plans	0000280310 1	1											
Humatrope 5mg Vials - Affiliated PDP Plans	0000273351 1	1											
Humatrope 6mg Cartridge - Affiliated PDP Plans	0000281470 1	1											
Humatrope 12mg Cartridge -	0000281480 1	1											

Affiliated PDP Plans														
Humatrope 24mg Cartridge - Affiliated PDP Plans	0000281490 1	1												
Humulin R U500 vials - Affiliated PDP Plans	0000285010 1	20	0%	4%	\$81.60								Unrestricted, Note 16	
Humulin R U500 KwikPen - Affiliated PDP Plans	0000288242 7	6	0%	4%	\$105.10								Unrestricted, Note 16	
													None	

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US Affiliated EGWP Plans – 2018 (Effective 1/1/2018 – 12/31/2018)

Product Name	NDC # ⁽¹⁾	Units Per NDC ⁽²⁾	Admin	Baseline Rebate % (Note 14)	Preferred Brand Tier (Note 15)	Non Preferred Brand Tier (Note 15)	Specialty Brand Tier (Note 15)		1 of 1 Manufacturer Status (Note 15)	1 of 2 Manufacturer Status (Note 15)	1 of 3 Manufacturer Status (Note 15)	Listed Formulary Status (Note 15)	Additional Conditions to Rebate (Note 10, Note 12)
Cialis 5 mg for BPH - Affiliated EGWP Plans - Open	00002446230 00002446234	30											
Cialis 5 mg for BPH - Affiliated EGWP Plans - Tiered													
Cialis 5 mg for BPH - Affiliated EGWP Plans - Closed													
Cialis 5 mg for BPH - Affiliated EGWP Plans - Open													
Cialis 5 mg for BPH - Affiliated EGWP Plans - Tiered													
Cialis 5 mg for BPH - Affiliated EGWP Plans - Closed													
Forteo - Affiliated EGWP Plans - Open	00002840001	2.4											
Forteo - Affiliated EGWP Plans - Tiered													
Forteo - Affiliated EGWP Plans - Closed													
Forteo - Affiliated EGWP Plans - Open													
Forteo - Affiliated EGWP Plans - Tiered													
Forteo - Affiliated EGWP Plans - Closed													
Forteo - Affiliated EGWP Plans - Open													
Forteo - Affiliated EGWP Plans - Tiered													
Forteo - Affiliated EGWP Plans - Closed													
Forteo - Affiliated EGWP Plans - Open													
Forteo - Affiliated EGWP Plans - Tiered													
Forteo - Affiliated EGWP Plans - Closed													

Glucagon - Affiliated EGWP Plans - Open	000028 03101	J
Glucagon - Affiliated EGWP Plans - Tiered		
Glucagon - Affiliated EGWP Plans - Closed		
Humatrope 5mg Vials - Affiliated EGWP Plans - Open	000027 33511	J
Humatrope 5mg Vials - Affiliated EGWP Plans - Tiered		
Humatrope 5mg Vials - Affiliated EGWP Plans - Closed		
Humatrope 6mg Cartridge - Affiliated EGWP Plans - Open	000028 14701	J
Humatrope 6mg Cartridge - Affiliated EGWP Plans - Tiered		
Humatrope 6mg Cartridge - Affiliated EGWP Plans - Closed		
Humatrope 12mg Cartridge - Affiliated EGWP Plans - Open	000028 14801	J
Humatrope 12mg Cartridge - Affiliated EGWP Plans - Tiered		
Humatrope 12mg Cartridge - Affiliated EGWP Plans - Closed		
Humatrope 24mg Cartridge - Affiliated EGWP Plans - Open	000028 14901	J
Humatrope 24mg Cartridge - Affiliated EGWP Plans - Tiered		
Humatrope 24mg Cartridge - Affiliated EGWP Plans - Closed		

Humulin R U500 vials - Affiliated EGWP Plans - Open	000028 50101	20	0%	1%	\$84.30								Unrestricted, Note 16
Humulin R U500 vials - Affiliated EGWP Plans - Tiered				2%	\$83.70								
Humulin R U500 vials - Affiliated EGWP Plans - Closed				4%	\$81.60								
Humulin R U500 KwikPen - Affiliated EGWP Plans - Open	000028 82427	6	0%	1%	\$108.50								Unrestricted, Note 16
Humulin R U500 KwikPen - Affiliated EGWP Plans - Tiered				2%	\$107.70								
Humulin R U500 KwikPen - Affiliated EGWP Plans - Closed				4%	\$105.10								

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US Non Affiliated Plans and Non Affiliated EGWP Plans - 2018 (Effective 1/1/2018 - 12/31/2018)

Product Name	NDC # (1)	Units Per NDC ⁽²⁾	Admin	Baseline Rebate % (Note 14)	Preferred Brand Tier (Note 15)	Non- Preferred Brand Tier	Specialty Brand Tier (Note 15)	1 of 1 Manufacturer Status (Note 15)	1 of 2 Manufacturer Status (Note 15)	1 of 3 Manufacturer Status (Note 15)	Listed Formulary Status (Note 15)	Additional Conditions to Rebate (Note 10, Note 13)
Cialis 5mg for BPH - Non Affiliated Plans and Non Affiliated EGWP Plans	000024 46230 000024 46234	30										
Cialis 10 mg and 20 mg - Non Affiliated Plans and Non Affiliated EGWP Plans	000024 46330 000024 46430	30										
Forteo - Non Affiliated Plans and Non Affiliated EGWP Plans	000028 40001	2.4										
Glucagon - Non Affiliated Plans and Non Affiliated EGWP Plans	000028 03101	1										
Humatrope 5mg Vials Non Affiliated Plans and Non Affiliated EGWP Plans	000027 33511	1										
Humatrope 5mg Cartridge - Non Affiliated Plans and Non Affiliated EGWP Plans	000028 14701	1										
Humatrope 12mg Cartridge - Non Affiliated Plans and Non Affiliated EGWP Plans	000028 14801	1										

[illegible]

Humulin KwikPen - Non Affiliated Plans and Non Affiliated EGWP Plans	000028 80559 000028 80359	15	3%	60%					\$13.20				Unrestricted - Note 8, Note 8a, Note 8b, Note 16.
				32%						\$22.50	\$22.50		Unrestricted - Note 8, Note 8b, Note 16
				3%								\$32.10	None
													Unrestricted, Note 16
Humulin 3ml - Non Affiliated Plans and Non Affiliated EGWP Plans	000028 31517 000028 21517 000028 71517	3	3%	4%					\$15.70	\$15.70	\$15.70		None
				1%								\$16.30	Unrestricted, Note 16
													None
													Unrestricted, Note 16
Humulin R U500 vials - Non Affiliated Plan and Non Affiliated EGWP Plans	000028 50101	20	3%	2%					\$83.30	\$83.30	\$83.30		None
				1%								\$84.20	Unrestricted, Note 16
													None
													Unrestricted, Note 16
Humulin R U500 KwikPen - Non Affiliated Plan and Non Affiliated EGWP Plans	000028 82427	6	3%	2%					\$107.30	\$107.30	\$107.30		None
				1%								\$108.40	Unrestricted, Note 16
													None
													Unrestricted, Note 16

Note 1: Basaglar
Note 2: Cialis 5mg for BPH
Note 2a: Cialis 5mg for BPH
Note 3: Cialis 10 and 20mg
Note 3a: Cialis 10 and 20mg
Note 4: Forteo
Note 4a: Forteo
Note 5: Glucagon
Note 6: Humatrope



Note 6a: Humatrope	
Note 7: Humalog	1) For purposes of evaluating satisfaction of the applicable conditions to Rebates, the Humalog Competitive Category shall be limited to only rapid acting analog and rapid acting analog mixed products, as identified on the Agreement in Exhibit C Insulin Competitive Category- Analogs. 2) Competitive Products listed on the Agreement in Exhibit C Insulin Competitive Category - Analogs for determining 1 of 1 Manufacturer Status, 1 of 2 Manufacturer Status, and 1 of 3 Manufacturer Status.
Note 7a: Humalog	High control mechanisms such as hard edits, hard prior authorizations, or NDC locks are implemented for Non Preferred rapid acting analog and rapid acting analog mix products.
Note 7b: Humalog 10mL vials	Excludes 3 mL vials.
Note 7c: Humalog Mix 10mL vials	"Humalog Mix 10mL vials" consists of Humalog Mix 75/25 vials and Humalog Mix 50/50 vials.
Note 7d: Humalog U100 KwikPen	"Humalog U100 pens" consists of Humalog KwikPen, Humalog Mix 75/25 KwikPen, and Humalog Mix 50/50 KwikPen. Excludes Humalog U200 KwikPen.
Note 8: Humulin 10mL vials and KwikPen	Competitive Products listed on the Agreement in Exhibit C Insulin Competitive Category - Human Insulin include Humulin, Novolin, and Relion for determining 1 of 1 Manufacturer Status, 1 of 2 Manufacturer Status, and 1 of 3 Manufacturer Status.
Note 8a: Humulin 10mL vials and KwikPen	High control mechanisms such as hard edits, hard prior authorizations, or NDC locks are implemented for Non Preferred human insulin and human insulin mix products.
Note 8b: Humulin 10mL vials and KwikPen	Excludes 3 mL vials and Humulin R 500U vials and Humulin R U-500 KwikPens.
Note 9: Trulicity	
Note 10	Unless otherwise noted above, this offer is contingent upon the Product being Unrestricted and not subject to Disadvantaging.
Note 11	Only Affiliated PDP Plans with a Closed Benefit Design shall be eligible for Rebates.
Note 12	Only Affiliated EGWP Plans shall be eligible for Rebates.
Note 13	Only Non Affiliated Plans and Non Affiliated EGWP Plans with a Tiered or Closed Benefit Design shall be eligible for Rebates for 1 of 1 Manufacturer Status, 1 of 2 Manufacturer Status, 1 of 3 Manufacturer Status, 1 of 4 Manufacturer Status, or the applicable Non-Preferred Brand Tiers. Listed rates are available for Plans with an Open, Tiered or Closed Benefit Design.
Note 14	"Baseline Rebate Percentage" means the minimum Rebate percentage that PBM will receive per Product and formulary status.
Note 15	The Fixed Price will be used to calculate a Rebate percentage. However, in the event the Baseline Rebate Percentage is higher than the effective Rebate percentage that is calculated based on the Fixed Price, the Rebate percentage received by PBM shall not be lower than the Baseline Rebate Percentage.
Note 16	For clarity, effective 1/1/2018 to 12/31/2018 for Cialis, Glucagon, Humalog, Humulin, and Humulin U 500 Products placed in a tier that is not the lowest Member co-pay amount or co-insurance percentage available for any Branded Product excluding generic tier(s), regardless of the Competitive Category, are not eligible for this Preferred Brand Tier rebate.

Puerto Rico Fixed Prices 2018

(1) Lilly must include all NDC's, strengths and package sizes of each Product. Lilly is required to validate the NDC's Number listed below. Rebates will be paid on any active NDC's not listed below, and such NDC's will be added as described in Section 3.L.

(2) Number of Units Per NDC that Fixed Price is based on (ex. \$100 Fixed Price Per NDC / 10 Units = \$10 Fixed Price Per Unit entered)

PR Affiliated PDP Plans – 2018 (Effective 1/1/2018 – 12/31/2018)													
Product Name (Note 16)	NDC # ⁽¹⁾	Units Per NDC ⁽²⁾	Admin	Baseline Rebate % (Note 14)	Preferred Brand Tier (Note 15)	Non Preferred Brand Tier (Note 15)	Specialty Brand Tier (Note 15)		1 of 1 Manufacturer Status (Note 15)	1 of 2 Manufacturer Status (Note 15)	1 of 3 Manufacturer Status (Note 15)	Listed Formulary Status (Note 15)	Additional Conditions to Rebate (Note 10, Note 11)
Cialis 5 mg for BPH - Affiliated PDP Plans	00002446230 00002446234	30											
Forteo - Affiliated PDP Plans	00002840001	2.4											
Glucagon - Affiliated PDP Plans	00002803101	1											
Humatrope 5mg Vials - Affiliated PDP Plans	00002733511	1											
Humatrope 6mg Cartridge - Affiliated PDP Plans	00002814701	1											

Humatrope 12mg Cartridge - Affiliated PDP Plans	00002814801	1												
Humatrope 24mg Cartridge - Affiliated PDP Plans	00002814901	1												
Humulin R U500 vials - Affiliated PDP Plans	00002850101	20	0%	4%	\$79.15									Unrestricted, Note 16
Humulin R U500 KwikPen - Affiliated PDP Plans	00002882427	6	0%	4%	\$101.95									Unrestricted, Note 16
														None

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PR Affiliated EGWP Plans – 2018 (Effective 1/1/2018 – 12/31/2018)																							
Product Name	NDC # ⁽¹⁾	Units Per NDC ⁽²⁾	Admin	Baseline Rebate % (Note 14)	Preferred Brand Tier (Note 15)	Non Preferred Brand Tier	Specialty Brand Tier (Note 15)		1 of 1 Manufacturer Status (Note 15)	1 of 2 Manufacturer Status (Note 15)	1 of 3 Manufacturer Status (Note 15)	Listed Formulary Status (Note 15)	Additional Conditions to Rebate (Note 10, Note 12)										
Cialis 5 mg for BPH - Affiliated EGWP Plans - Open	000024462 30 000024462 34	30																					
Cialis 5 mg for BPH - Affiliated EGWP Plans - Tiered																							
Cialis 5 mg for BPH - Affiliated EGWP Plans - Closed																							
Cialis 5 mg for BPH - Affiliated EGWP Plans - Open																							
Cialis 5 mg for BPH - Affiliated EGWP Plans - Tiered																							
Cialis 5 mg for BPH - Affiliated EGWP Plans - Closed																							
Forteo - Affiliated EGWP Plans - Open	00002840 001	24																					
Forteo - Affiliated EGWP Plans - Tiered																							
Forteo - Affiliated EGWP Plans - Closed																							
Forteo - Affiliated EGWP Plans - Open																							
Forteo - Affiliated EGWP Plans - Tiered																							
Forteo - Affiliated EGWP Plans - Closed																							
Forteo - Affiliated EGWP Plans - Open																							
Forteo - Affiliated EGWP Plans - Tiered																							
Forteo - Affiliated EGWP Plans - Closed																							

Forteo - Affiliated EGWP Plans - Open		
Forteo - Affiliated EGWP Plans - Tiered		
Forteo - Affiliated EGWP Plans - Closed		
Glucagon - Affiliated EGWP Plans - Open		
Glucagon - Affiliated EGWP Plans - Tiered	000028031	1
Glucagon - Affiliated EGWP Plans - Closed	01	

Humatrope 5mg Vials - Affiliated EGWP Plans - Open		
Humatrope 5mg Vials - Affiliated EGWP Plans - Tiered	0000273351	1
Humatrope 5mg Vials - Affiliated EGWP Plans - Closed	1	
Humatrope 6mg Cartridge - Affiliated EGWP Plans - Open		
Humatrope 6mg Cartridge - Affiliated EGWP Plans - Tiered	0000281470	1
Humatrope 6mg Cartridge - Affiliated EGWP Plans - Closed	1	
Humatrope 12mg Cartridge - Affiliated EGWP Plans - Open		
Humatrope 12mg Cartridge - Affiliated EGWP Plans - Tiered	0000281480	1
Humatrope 12mg Cartridge - Affiliated EGWP Plans - Closed	1	
Humatrope 24mg Cartridge - Affiliated EGWP Plans - Open		
Humatrope 24mg Cartridge - Affiliated EGWP Plans - Tiered	0000281490	1
Humatrope 24mg Cartridge - Affiliated EGWP Plans - Closed	1	

Humulin R U500 vials - Affiliated EGWP Plans - Open	00002850101	20	0%	1%	\$81.77								Unrestricted; Note 16
Humulin R U500 vials - Affiliated EGWP Plans - Tiered				2%	\$81.19								
Humulin R U500 vials - Affiliated EGWP Plans - Closed				4%	\$79.15								
Humulin R U500 KwikPen - Affiliated EGWP Plans - Open	00002882427	6	0%	1%	\$105.25								Unrestricted; Note 16
Humulin R U500 KwikPen - Affiliated EGWP Plans - Tiered				2%	\$104.47								
Humulin R U500 KwikPen - Affiliated EGWP Plans - Closed				4%	\$101.95								

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PR Non-Affiliated Plans and Non-Affiliated EGWP Plans – 2018 (Effective 1/1/2018 – 12/31/2018)

Product Name	NDC # (b)	Units Per NDC (b)	Admin	Baseline Rebate % (Note 14)	Preferred Brand Tier (Note 15)	Non Preferred Brand Tier (Note 15)	Specialty Brand Tier (Note 15)	1 of 1 Manufacturer Status (Note 15)	1 of 2 Manufacturer Status (Note 15)	1 of 3 Manufacturer Status (Note 15)	Listed Formulary Status (Note 15)	Additional Conditions to Rebate (Note 10, Note 13)
Cialis 5mg for BPH - Non-Affiliated Plans and Non-Affiliated EGWP Plans	00002446230 00002446234	30										
Cialis 10 mg and 20 mg - Non-Affiliated Plans and Non-Affiliated EGWP Plans	00002446330 00002446430	30										
Forteo - Non-Affiliated Plans and Non-Affiliated EGWP Plans	00002840001	24										

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Humalog Cartridge - Non Affiliated Plans and Non Affiliated EGWP Plans	00002751659	15	3%	60%			\$13.77				Unrestricted - Note 7, Note 7a, Note 16
				32%				\$23.47	\$23.47		Unrestricted - Note 7, Note 16
				3%						\$33.56	None
											None
Humalog 3ml - Non Affiliated Plans and Non Affiliated EGWP Plans	00002751017	3	3%	4%			\$28.03	\$28.03	\$28.03		Unrestricted, Note 16
				1%						\$29.10	None
											None
Humulin 10ml Vials - Non Affiliated Plans and Non Affiliated EGWP Plans	00002831501 00002821501 00002871501	10	3%	60%			\$6.11				Unrestricted - Note 8, Note 8a, Note 8b, Note 16
				32%				\$10.38	\$10.38		Unrestricted - Note 8, Note 8b, Note 16
				3%						\$14.74	None
											None
Humulin KwikPen - Non Affiliated Plans and Non Affiliated EGWP Plans	00002880559 00002880359	15	3%	60%			\$12.80				Unrestricted - Note 8, Note 8a, Note 8b, Note 16
				32%				\$21.83	\$21.83		Unrestricted - Note 8, Note 8b, Note 16
				3%						\$31.14	None
											None
Humulin 3ml - Non Affiliated Plans and Non Affiliated EGWP Plans	00002831517 00002821517 00002871517	3	3%	4%			\$15.23	\$15.23	\$15.23		Unrestricted, Note 16
				1%						\$15.81	None
											None
Humulin R U500 vials - Non Affiliated Plan and Non Affiliated EGWP Plans	00002850101	20	3%	2%			\$80.80	\$80.80	\$80.80		Unrestricted, Note 16
				1%						\$81.67	None
											None
Humulin R U500 KwikPen - Non Affiliated Plan and Non Affiliated EGWP Plans	00002882427	6	3%	2%			\$104.08	\$104.08	\$104.08		Unrestricted, Note 16
				1%						\$105.15	None
											None

	NOTES
Note 1: Basaglar	
Note 2: Cialis 5mg for BPH	
Note 2a: Cialis 5mg for BPH	
Note 3: Cialis 10 and 20mg	
Note 3a: Cialis 10 and 20mg	
Note 4: Forteo	
Note 4a: Forteo	
Note 5: Glucagon	
Note 6: Humatrope	
Note 6a: Humatrope	

Note 7: Humalog	1) For purposes of evaluating satisfaction of the applicable conditions to Rebates, the Humalog Competitive Category shall be limited to only rapid acting analog and rapid acting analog mixed products, as identified on the Agreement in Exhibit C Insulin Competitive Category- Analogs. 2) Competitive Products listed on the Agreement in Exhibit C Insulin Competitive Category - Analogs for determining 1 of 1 Manufacturer Status, 1 of 2 Manufacturer Status, and 1 of 3 Manufacturer Status.
Note 7a: Humalog	High control mechanisms such as hard edits, hard prior authorizations, or NDC locks are implemented for Non Preferred rapid acting analog and rapid acting analog mix products.
Note 7b: Humalog 10mL vials	Excludes 3 mL vials.
Note 7c: Humalog Mix 10mL vials	"Humalog Mix 10mL vials" consists of Humalog Mix 75/25 vials and Humalog Mix 50/50 vials.
Note 7d: Humalog U100 KwikPen	"Humalog U100 pens" consists of Humalog KwikPen, Humalog Mix 75/25 KwikPen, and Humalog Mix 50/50 KwikPen. Excludes Humalog U200 KwikPen.
Note 8: Humulin 10mL vials and KwikPen	Competitive Products listed on the Agreement in Exhibit C Insulin Competitive Category - Human Insulin for determining 1 of 1 Manufacturer Status, 1 of 2 Manufacturer Status, and 1 of 3 Manufacturer Status.
Note 8a: Humulin 10mL vials and KwikPen	High control mechanisms such as hard edits, hard prior authorizations, or NDC locks are implemented for Non Preferred human insulin and human insulin mix products.
Note 8b: Humulin 10mL vials and KwikPen	Excludes 3 mL vials and Humulin R 500U vials and Humulin R U-500 KwikPens.
Note 9: Trulicity	
Note 10	Unless otherwise noted above, this offer is contingent upon the Product being Unrestricted and not subject to Disadvantaging.
Note 11	Only Affiliated PDP Plans with a Closed Benefit Design shall be eligible for Rebates.
Note 12	Only Affiliated EGWP Plans shall be eligible for Rebates.
Note 13	Only Non Affiliated Plans and Non Affiliated EGWP Plans with a Tiered or Closed Benefit Design shall be eligible for Rebates for 1 of 1 Manufacturer Status, 1 of 2 Manufacturer Status, 1 of 3 Manufacturer Status, 1 of 4 Manufacturer Status, or the applicable Non-Preferred Brand Tiers. Listed rates are available for Plans with an Open, Tiered or Closed Benefit Design.
Note 14	"Baseline Rebate Percentage" means the minimum Rebate percentage that PBM will receive per Product and formulary status.
Note 15	The Fixed Price will be used to calculate a Rebate percentage. However, in the in the event the Baseline Rebate Percentage is higher than the effective Rebate percentage that is calculated based on the Fixed Price, the Rebate percentage received by PBM shall not be lower than the Baseline Rebate Percentage.
Note 16	For clarity, effective [REDACTED] Humalog, Humulin, and Humulin U 500 Products placed in a tier that is not the lowest Member co-pay amount or co-insurance percentage available for any Branded Product excluding generic tier(s), regardless of the Competitive Category, are not eligible for this Preferred Brand Tier rebate.

US and PR 2019 Fixed Price Rebate Offer:

(1) Lilly must include all NDC's, strengths and package sizes of each Product. Lilly is required to validate the NDC's numbers listed below. Rebates will be paid on any active NDCs not listed below, and such NDCs will be added as described in Section 3.L.

²⁾Number of Units Per NDC that Fixed Price is based on (ex. \$100 Fixed Price Per NDC / 10 Units = \$10 Fixed Price Per Unit entered)

Affiliated PDP Plans -- (Effective 1/1/2019 -- 12/31/2019)													
Product Name	NDC # (1)	Units Per NDC(2)	Admin	Baseline Rebate % (Note 14)	Preferred Brand Tier (Note 15)	Non Preferred Brand Tier (Note 15)	Specialty Brand Tier (Note 15)		1 of 1 Manufacturer Status (Note 15)	1 of 2 Manufacturer Status (Note 15)	1 of 3 Manufacturer Status (Note 15)	Listed Formulary Status (Note 15)	Additional Conditions to Rebate (Note 10, Note 11)
Porteo - Affiliated PDP Plans	00002840001	2.4											

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Affiliated EGWP Plans - (Effective 1/1/2019 - 12/31/2019)													
Product Name	NDC # ⁽¹⁾	Units Per NDC ⁽²⁾	Admin	Baseline Rebate % (Note 14)	Preferred Brand Tier (Note 15)	Non Preferred Brand Tier	Specialty Brand Tier (Note 15)		1 of 1 Manufacturer Status (Note 15)	1 of 2 Manufacturer Status (Note 15)	1 of 3 Manufacturer Status (Note 15)	Listed Formulary Status (Note 15)	Additional Conditions to Rebate (Note 10, Note 12)
Forteo - Affiliated EGWP Plans - Open	0000 28400 01	2.4											
Forteo - Affiliated EGWP Plans - Tiered													
Forteo - Affiliated EGWP Plans - Closed													
Forteo - Affiliated EGWP Plans - Open													
Forteo - Affiliated EGWP Plans - Tiered													
Forteo - Affiliated EGWP Plans - Closed													
Forteo - Affiliated EGWP Plans - Open													
Forteo - Affiliated EGWP Plans - Tiered													
Forteo - Affiliated EGWP Plans - Closed													
Forteo - Affiliated EGWP Plans - Open													
Forteo - Affiliated EGWP Plans - Tiered													
Forteo - Affiliated EGWP Plans - Closed													
Forteo - Affiliated EGWP Plans - Open													
Forteo - Affiliated EGWP Plans - Tiered													
Forteo - Affiliated EGWP Plans - Closed													

Non Affiliated Plans and Non Affiliated EGWP Plans - (Effective 1/1/2019 – 12/31/2019)													
Product Name	NDC # (1)	Units Per NDC ⁽²⁾	Admin	Baseline Rebate % (Note 14)	Preferred Brand Tier (Note 15)	Non Preferred Brand Tier (Note 15)	Specialty Brand Tier (Note 15)		1 of 1 Manufacturer Status (Note 15)	1 of 2 Manufacturer Status (Note 15)	1 of 3 Manufacturer Status (Note 15)	Listed Formulary Status (Note 15)	Additional Conditions to Rebate (Note 10, Note 13)
Porteo - Non Affiliated Plans and Non Affiliated EGWP Plans	000028 40001	2.4											

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Note 1-3:	
Note 4: Forteo	
Note 4a: Forteo	
Note 5-9:	Reserved for [REDACTED], Humatrope, Humulin, Humalog, and [REDACTED] Notes
Note 10	Unless otherwise noted above, this offer is contingent upon the Product being Unrestricted and not subject to Disadvantaging.
Note 11	Only Affiliated PDP Plans with a Closed Benefit Design shall be eligible for Rebates.
Note 12	Only Affiliated EGWP Plans shall be eligible for Rebates.
Note 13	Only Non Affiliated Plans and Non Affiliated EGWP Plans with a Tiered or Closed Benefit Design shall be eligible for Rebates for 1 of 1 Manufacturer Status, 1 of 2 Manufacturer Status, 1 of 3 Manufacturer Status, 1 of 4 Manufacturer Status, or the applicable Non-Preferred Brand Tiers. Listed rates are available for Plans with an Open, Tiered or Closed Benefit Design.
Note 14	"Baseline Rebate Percentage" means the minimum Rebate percentage that PBM will receive per Product and formulary status.
Note 15	The Fixed Price will be used to calculate a Rebate percentage. However, in the event the Baseline Rebate Percentage is higher than the effective Rebate percentage that is calculated based on the Fixed Price, the Rebate percentage received by PBM shall not be lower than the Baseline Rebate Percentage.

B. Conditions to Rebates. The payment of Rebates for Products is subject to the satisfaction of the following conditions, as determined on a Product by Product, Part D Plan by Part D Plan, and Quarter by Quarter basis, provided that if these conditions are not met for the entire Quarter, Rebates shall be payable on utilization of that Product for only that portion of the Quarter in which such conditions were met:

1. The Product is covered by the Part D Plan in the applicable Status set forth in the above Rebate tables.
2. The Product is adjudicated at the Preferred Brand Tier, unless otherwise noted in the footnotes above.
3. The Product is not subject to Disadvantaging in the Competitive Category, unless otherwise noted in the footnotes above.
4. If applicable, any additional footnote conditions set forth above for such Product.

C. Price Protection and Additional Rebate. N/A

D. Calculation of Rebates. Lilly shall pay the greater of the Fixed Price Rebate or the Baseline Rebate, as calculated on a Product by Product and Quarter by Quarter basis.
Fixed Price Rebates shall be calculated on a Part D Plan by Part D Plan basis as follows:

Number of Units of the Product dispensed to Members multiplied by WAC, or if applicable DACO Price, on the date of dispense minus the applicable Fixed Price.

In the event that the Fixed Price exceeds WAC, or if applicable DACO Price, then WAC, or if applicable DACO Price, in effect on the date of dispense will be used in the calculation of Baseline Rebates.

Baseline Rebates shall be calculated on a Part D Plan by Part D Plan basis as follows

Number of Units of the Product dispensed to Members multiplied by WAC, or if applicable DACO Price, in effect on the date of dispense multiplied by the applicable Baseline Rebate Percentage.

E. Calculation of Administrative Fees. Administrative Fees shall be calculated on a Part D Plan by Part D Plan basis as follows and is only available on the utilization of Non-Affiliated Plans:

Number of Units of Rebate-eligible Product dispensed to Members multiplied by WAC, or if applicable DACO Price, in effect on the date of dispense multiplied by the Administrative Fee Percentage set forth in the table below.

Administrative Fee Percentage
3.00%

F. Manufacturer Payment Terms.

Lilly Payment.

(i) Estimated Payment.

Lilly will make payments of Rebates and Administrative Fees to PBM in accordance with this Section (each a "Quarterly Payment"). Lilly shall make quarterly estimated Rebate payments to PBM as described in this Section. Within the first seven (7) days after the start of each calendar quarter under the Agreement, PBM will endeavor to submit to Lilly separate invoices in the amount of [REDACTED] of the last reconciled quarter's Rebate payments for Quarterly Utilization – US and Quarterly Utilization - PR, and Lilly will submit to PBM, by wire transfer, the amount [REDACTED] of the last reconciled quarter's Rebate payment amounts for Quarterly Utilization – US and Quarterly Utilization –PR individually within ten (10) business days of receipt of the invoices from PBM or within ten (10) business days after the end of the quarter, whichever is later. Lilly reserves the right to adjust the quarterly estimated payment amount for any Products no longer contracted. If Lilly fails to pay any portion of an undisputed amount due and the corresponding funds are not deposited in the PBM bank account on or before the Quarterly Payment, Reconciliation Payment or Late Payment Fee ("Lilly Payment") due date, Lilly shall accrue a per diem late fee penalty on such overdue amount at the lesser of the maximum amount allowed by law or [REDACTED] per annum ("Late Payment Fee") from the date such Lilly Payment was due until the date the Lilly Payment was deposited in the PBM bank account. If the Lilly Payment due date falls on a weekend or holiday, the payment must be received in the PBM bank account by the last business day preceding the Lilly Payment due date or a Late Payment Fee penalty will be assessed. If Lilly does not include the Late Payment Fee payment with the Quarterly Payment or Reconciliation Payment, the Late Payment Fee shall be due within ten (10) days of Lilly's receipt of the Late Payment Fee invoice.

The following example is for illustrative purposes only:



(ii) Reconciliation Payment.

Upon receipt of the Utilization Reports from PBM, Lilly will compare the Quarterly Payment with the actual amount due as reflected in the current Quarter invoice. In the event that the applicable Quarterly Payment exceeds the amount invoiced, Lilly will accrue such excess to a debit account for PBM and any debit amount in this account will be deducted from the next payment to PBM. In the event that the amount invoiced exceeds the Quarterly Payment paid to PBM, Lilly will pay such excess to PBM within sixty (60) days of receipt of the Utilization Reports. Lilly will be under no obligation to submit any payments to PBM after the initial estimated payment of ninety percent (90%) of the last reconciled quarter's validated Rebate payment amount until the Reimbursement Data for the quarter is received by Lilly from PBM. This data must be processed and validated sequentially by calendar quarter. The date of reconciliation is based on sixty (60) days from the date of the final submittal of data for each quarter in chronological order. No validation will occur out of sequence. In regards to the accelerated rebate program above, if any Product(s) is removed from the Agreement, Lilly reserves the right to adjust the estimated payment for the quarter in which such removal occurs to reflect the reasonably projected actual utilization of the remaining Products by PBM. In the event that Lilly has overpaid PBM based upon the actual utilization data, Lilly may deduct the amount of such overpayment from any future payment obligations under the Agreement, or submit an invoice to PBM, such invoice to be paid upon forty-five (45) days of receipt.

(iii) Method of Payment. All payments made by Lilly shall be made electronically, via wire transfer, to the bank account designated by PBM. In the event payment is not made electronically (e.g., if payment is made by check), each payment due date set forth in this Section shall be automatically accelerated by seven (7) days. Tax ID numbers must be on file prior to payment of rebate.

(iv) Lilly Documentation. Regardless of whether any payment is required to be made by Lilly under subsection (2) above, Lilly shall deliver to PBM, electronically and within sixty (60) days of receipt of the Utilization Reports, the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively, a reconciliation report in either of the formats set forth in Exhibit A to the Agreement. The parties shall cooperate in good faith to correct any errors found with respect to Lilly's dispute calculations and make appropriate adjustments to future billings in accordance with any such corrections.

H. Additional Defined Terms. For purposes of this Exhibit C, the following definitions shall apply:

"1 of 1 Manufacturer Status" means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis that the Product is listed on the Plan Formulary with a Preferred Brand Tier designation and no Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 2 Manufacturer Status" means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis, that the Product and the Competitive Products of only one other manufacturer are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 3 Manufacturer Status" means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis, that the Product and the Competitive Products of two other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 4 Manufacturer Status" means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis, that the Product and the Competitive Products of three other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

"Competitive Categories" means, with respect to each Product, the following products (and associated manufacturers):

With respect to Basaglar (Basal Insulin) the following products (and associated manufacturers): Basaglar KwikPen (Lilly), Levemir Vial (Novo), Levemir Flexpen (Novo), Levemir FlexTouch Pen (Novo), Lantus Vial (Sanofi), Lantus Solostar (Sanofi), Tresiba FlexTouch U-100 (Novo), Tresiba FlexTouch U-200 (Novo), and Toujeo Solostar (Sanofi).

With respect to Basaglar (Insulin Glargine) the following products (and associated manufacturers): Basaglar (Lilly), Lantus (Sanofi), and Toujeo (Sanofi).

With respect to Basaglar (U-100 Insulin Glargine) the following injection pen device products (and associated manufacturers): Basaglar (Lilly) and Lantus (Sanofi)

With respect to Humalog (Competitive Category limited to only rapid acting analog and rapid acting analog mixed products), the following products: Humalog, Novolog, Fiasp, Apidra, and Afrezza.

With respect to Humulin (human insulin and human insulin mix products), the following products: Humulin, Novolin, and Relion.

"Disadvantaging" means intervention activities focused on specific prescriptions for a Product where such activities are reasonably intended to discourage the utilization of the Product in favor of a Competitive Product; provided, however, that "Disadvantaging" shall not include actions taken for reasons of clinical appropriateness, Member safety, genetic testing or validation, or generic substitution or intervention that may occur at the point of sale so long as such substitution or intervention is not required by the Plan, PBM, or PBM's affiliates. Generic step therapy, brand step therapy, and prior authorization programs are considered Disadvantaging Activities unless explicitly

permitted within Exhibit D. Notwithstanding anything to the contrary in this Agreement, Disadvantaging Activities shall not include the dissemination of scientific information about products (including Products) within the Competitive Categories that is accurate, balanced and not misleading. Nothing in this Agreement is intended to restrict, limit or preclude an individual physician from making an independent prescribing decision based on such physician's medical judgment in the best interest of his/her patient's care. Furthermore, neither party shall take any action to restrict, limit or preclude a physician from exercising the physician's independent prescribing authority in the best interest of his/her patient care as determined by the physician in consultation with his/her patient, based on the physician's independent medical judgment. Notwithstanding the foregoing, Disadvantaging Activities shall specifically exclude any Permitted Activity.

"Listed Formulary Status" means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis, that the Product is listed on the Plan Formulary.

"Fixed Price" means the price per unit for each NDC of a Product provided in the tables in Exhibits D which are used to calculate Fixed Price Rebates.

"Non-Preferred Brand Tier" means the adjudication tier with the highest Member co-pay amount or co-insurance percentage for branded, single source prescription products in the Product's Competitive Category.

"Preferred Brand Tier" means the adjudication tier with the lowest Member co-pay amount or co-insurance percentage for branded, single source prescription products in the Product's Competitive Category. Note that if a Part D Plan adjudicates all of the Competitive Category's branded, single source prescription products at a higher cost share level (such as third tier or a specialty tier), such higher cost-share level shall be deemed the Preferred Brand Tier for the relevant Product unless otherwise noted in Exhibit C.

"Specialty Product" means a pharmaceutical, biotech or biological drug that is used in the management of chronic or genetic disease, including but not limited to, injectable, infused, or oral medications, or products that otherwise require special handling.

"Specialty Tier" means a separate category or tier on a Part D Plan's Formulary designated for very high cost or unique products consistent with Part D Regulations and CMS guidelines. Products are included on a Part D Plan's Specialty Tier based on such Part D Plan's decision, taking into account any recommendation of the applicable P&T Committee that the Product placement and position is consistent with the MMA, Part D Regulations and applicable CMS guidance and in the best clinical interests of Participants. Only drugs with Part D Plan negotiated prices that exceed the threshold as may be established by CMS pursuant to 42 CFR 423.578(a)(7) may be placed in the Specialty Tier. Products in the Specialty Tier are given preferential status versus non-formulary products through formulary enforcement mechanisms including, but not limited to, lower co-pays and lack of prior authorization.

* * *

**FIRST AMENDMENT TO THE
MEDICARE PART D PROGRAM REBATE AGREEMENT**

This First Amendment to the Medicare Part D Program Rebate Agreement ("First Amendment") between CVS CAREMARK PART D SERVICES, L.L.C., a Delaware limited liability company ("PBM"), having a place of business at 2211 Sanders Road, Northbrook, IL 60062, and Eli Lilly and Company ("Lilly US"), an Indiana corporation having its principal place of business at Lilly Corporate Center, Indianapolis, IN 46285, and ELI LILLY EXPORT, S.A., PUERTO RICO BRANCH ("Lilly PR"), a corporation organized under the laws of Switzerland with a branch registered in Puerto Rico, having its principal place of business at 235 Federico Costa Street, Parque Las Americas 1 Suite 401, San Juan, Puerto Rico 00918-1342 (hereinafter Lilly-PR and Lilly-US shall be referred to jointly as "Lilly") shall be effective January 1, 2019 ("First Amendment Effective Date").

Background

PBM and Lilly are parties to that certain Medicare Part D Program Rebate Agreement, effective January 1, 2018, as amended ("Agreement"). PBM and Lilly desire to amend the Agreement as hereinafter set forth.

The parties hereto agree as follows:

1. The Defined Term "Unrestricted" is hereby removed from section 1. "Definitions" of the Agreement.
2. The Defined Term "Disadvantaging" or "Disadvantaging Activities" found in Exhibit C, Section H "Additional Defined Terms" is hereby amended and restated in Exhibit C attached hereto as Attachment 1 to this First Amendment.
3. Section 4. "Legal Compliance, Warranties & Indemnity" of the Agreement is hereby amended to add subsection (i) "Physician Independence."
 - i. **Physician Independence.** Nothing in this Agreement is intended to restrict, limit or preclude an individual physician from making an independent prescribing decision based on such physician's medical judgment in the best interest of his/her patient's care. Furthermore, neither party shall take any action to restrict, limit or preclude a physician from exercising the physician's independent prescribing authority in the best interest of his/her patient care as determined by the physician in consultation with his/her patient, based on the physician's independent medical judgment.
4. **Exhibit C, Rebates & Administrative Fees.** of the Agreement, is hereby deleted in its entirety and replaced with Exhibit C, Rebates & Administrative Fees, attached hereto as Attachment 1 to this First Amendment.

Except as specifically set forth in this First Amendment, the terms and conditions of the Agreement shall remain in full force and effect. In the event of a conflict between the terms of the First Amendment and any other agreement between the parties, the terms of the Agreement, as amended herein, shall control.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed by their duly authorized officers or representatives,

CVS CAREMARK PART D SERVICES, L.L.C.

By: [Signature]

Name: GARY LOEBER

Title: Vice President, Trade Relations

Date: 12/17/18

ELI LILLY AND COMPANY

By: [Signature]

Name: Lisa House

Title: National Account Manager, Lilly USA, LLC

Date: 12-2-18

ELI LILLY EXPORT, S.A.,

PUERTO RICO BRANCH

By: [Signature]

Name: FRANCOIS GILBERT

Title: Country Manager PR

Date: 12-2-18

ATTACHMENT 1 TO FIRST AMENDMENT

MEDICARE PART D PROGRAM REBATE AGREEMENT

EXHIBIT C

REBATES & ADMINISTRATIVE FEES

A. 2019 - Base Rebates - Fixed Price. The Fixed Price shall be applicable for Products dispensed to Members. The Fixed Price and Rebate table below reflects a fixed price which shall not increase during the term of the Agreement and a guaranteed rebate percentage which shall not decrease during the term of the Agreement. The Fixed Price will be used to calculate a Rebate percentage. However, in the event the Baseline Rebate Percentage is higher than the effective Rebate percentage that is calculated based on the Fixed Price, the Rebate percentage received by PBM shall not be lower than the Baseline Rebate Percentage. Baseline Rebate Percentage means the minimum Rebate percentage that PBM will receive per Product and formulary status

⁽¹⁾Lilly must include all NDC's, strengths and package sizes of each Product. Lilly is required to validate the NDCs numbers listed below. Rebates will be paid on any active NDCs not listed below, and such NDCs will be added as described in Section 3.L.

⁽²⁾Number of Units Per NDC that Fixed Price is based on (ex. \$100 Fixed Price Per NDC / 10 Units = \$10 Fixed Price Per Unit entered)

2019 Affiliated Plans- US & Puerto Rico* (PR)-Fixed Price												
(*The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)												
Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status-Preferred Brand Tier	1 of 2 Manufacturer Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer-Status-Preferred Brand Tier
Basaglar	00002-7715-59	15	0%						\$6.88			
Basaglar-Tier 2	00002-7715-59	15	0%						\$6.17	\$7.95		
Forteo	00002-8400-01	2.4										
Forteo-appropriate PA	00002-8400-01	2.4										
Trulicity	00002-1433-80	2										
Trulicity	00002-1434-80	2										

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2019 Affiliated Plans- US & Puerto Rico* (PR)-Fixed Price

(*The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status-Preferred Brand Tier	1 of 2 Manufacturer Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer-Status-Preferred Brand Tier
Glucagon Emergency Injection Kit	00002-8031-01	1										
Humatrope 5mg Vials	00002-7335-11	1										
Humatrope 6mg Cartridge	00002-8147-01	1										
Humatrope 12mg Cartridge	00002-8148-01	1										
Humatrope 24mg Cartridge	00002-8149-01	1										
Humulin R U-500	00002-8501-01	20	0%	\$88.13								
Humulin R U-500 KwikPen	00002-8824-27	6	0%	\$113.51								
Olumiant Tablet 2MG	00002-4182-30	30										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-01	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-01	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-11	120										

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2019 Affiliated Plans- US & Puerto Rico* (PR)-Fixed Price

(*The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status-Preferred Brand Tier	1 of 2 Manufacturer Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer-Status-Preferred Brand Tier
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML- 1 generic product step edit	00002-1436-01	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML- 2 generic product step edit	00002-1436-01	120										

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2019 Affiliated Plans- US & Puerto Rico* (PR)-Baseline Rebate

(* The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer -Status- Preferred Brand Tier
Basaglar	00002-7715-59	15	0%						71%			
Basaglar- Tier 2	00002-7715-59	15	0%						74%	66.5%		
Forteo	00002-8400-01	2.4										
Forteo-appropriate PA	00002-8400-01	2.4										
Trulicity	00002-1433-80	2										
Trulicity	00002-1434-80	2										
Glucagon Emergency Injection Kit	00002-8031-01	1										
Humatrope 5mg Vials	00002-7335-11	1										
Humatrope 6mg Cartridge	00002-8147-01	1										
Humatrope 12mg Cartridge	00002-8148-01	1										
Humatrope 24mg Cartridge	00002-8149-01	1										
HumuLIN R U-500	00002-8501-01	20	0%	4%								
HumuLIN R U-500 KwikPen	00002-8824-27	6	0%	4%								
Olumiant Tablet 2MG	00002-4182-30	30										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML- 1 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML- 1 generic product step edit	00002-1436-01	120										
Emgality Subcutaneous Solution Auto-Injector	00002-1436-11	120										

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2019 Affiliated Plans- US & Puerto Rico* (PR)-Baseline Rebate

(* The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer -Status- Preferred Brand Tier
120 MG/ML-2 generic product step edit												
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-01	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-01	120										

2019 Affiliated EGWP -US & Puerto Rico* (PR)-Fixed Price

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Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer-Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer-Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status- Preferred Brand Tier
Basaglar Open	00002-7715-59	15	0%						\$23.50	\$23.50		
Basaglar Tiered	00002-7715-59	15	0%						\$16.38	\$17.09		
Basaglar Closed	00002-7715-59	15	0%						\$6.88	\$8.31		
Trulicity- Open	00002-1433-80	2										
Trulicity- Tiered	00002-1433-80	2										
Trulicity-Closed	00002-1433-80	2										
Trulicity- Open	00002-1434-80	2										
Trulicity- Tiered	00002-1434-80	2										
Trulicity-Closed	00002-1434-80	2										
Forteo – Open	00002-8400-01	2.4										
Forteo – Tiered	00002-8400-01	2.4										
Forteo – Closed	00002-8400-01	2.4										
Forteo – Open –appropriate PA	00002-8400-01	2.4										
Forteo – Tiered-appropriate PA	00002-8400-01	2.4										
Forteo – Closed-appropriate PA	00002-8400-01	2.4										
Glucagon - Open	00002-8031-01	1										
Glucagon - Tiered	00002-8031-01	1										
Glucagon - Closed	00002-8031-01	1										
Humatrope 5mg Vials-Open	00002-7335-11	1										

2019 Affiliated EGWP -US & Puerto Rico* (PR)-Fixed Price

(* The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer-Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer-Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Humatrope 5mg Vials-Tiered	00002-7335-11	1										
Humatrope 5mg Vials-Closed	00002-7335-11	1										
Humatrope 6mg Cartridge - Open	00002-8147-01	1										
Humatrope 6mg Cartridge - Tiered	00002-8147-01	1										
Humatrope 6mg Cartridge - Closed	00002-8147-01	1										
Humatrope 12mg Cartridge-Open	00002-8148-01	1										
Humatrope 12mg Cartridge-Tiered	00002-8148-01	1										
Humatrope 12mg Cartridge-Closed	00002-8148-01	1										
Humatrope 24mg Cartridge-Open	00002-8149-01	1										
Humatrope 24mg Cartridge-Tiered	00002-8149-01	1										
Humatrope 24mg Cartridge-Closed	00002-8149-01	1										
Humalog 10mL Vials - - Open	00002-7510-01	10	0%				\$29.20			\$29.20		\$29.20
Humalog 10mL Vials - Tiered	00002-7510-01	10	0%				\$20.19			\$26.41		\$26.41
Humalog 10mL Vials - Closed	00002-7510-01	10	0%				\$11.49			\$20.19		\$20.19
Humalog 10mL Mix Vials - Open	00002-7512-01	10	0%				\$30.27			\$30.27		\$30.27
Humalog 10mL Mix Vials - Tiered	00002-7512-01	10	0%				\$20.93			\$27.37		\$27.37

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2019 Affiliated EGWP -US & Puerto Rico* (PR)-Fixed Price

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Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer-Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer-Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Humalog 10mL Mix Vials - Closed	00002-7512-01	10	0%				\$11.91			\$20.93		\$20.93
Humalog 10mL Vials - - Open	00002-7511-01	10	0%				\$29.20			\$29.20		\$29.20
Humalog 10mL Vials - Tiered	00002-7511-01	10	0%				\$20.19			\$26.41		\$26.41
Humalog 10mL Vials - Closed	00002-7511-01	10	0%				\$11.49			\$20.19		\$20.19
Humalog 10mL Mix Vials - Open	00002-7511-01	10	0%				\$30.27			\$30.27		\$30.27
Humalog 10mL Mix Vials - Tiered	00002-7511-01	10	0%				\$20.93			\$27.37		\$27.37
Humalog 10mL Mix Vials - Closed	00002-7511-01	10	0%				\$11.91			\$20.93		\$20.93
Humalog U100 KwikPen - Open	00002-8799-59	15	0%				\$37.59			\$37.59		\$37.59
Humalog U100 KwikPen - Tiered	00002-8799-59	15	0%				\$25.99			\$33.99		\$33.99
Humalog U100 KwikPen Closed	00002-8799-59	15	0%				\$14.80			\$25.99		\$25.99
Humalog U100 KwikPen - Open	00002-8798-59	15	0%				\$37.59			\$37.59		\$37.59
Humalog U100 KwikPen - Tiered	00002-8798-59	15	0%				\$25.99			\$33.99		\$33.99
Humalog U100 KwikPen Closed	00002-8798-59	15	0%				\$14.80			\$25.99		\$25.99
Humalog U100 KwikPen - Open	00002-8797-59	15	0%				\$37.59			\$37.59		\$37.59
Humalog U100 KwikPen - Tiered	00002-8797-59	15	0%				\$25.99			\$33.99		\$33.99
Humalog U100 KwikPen Closed	00002-8797-59	15	0%				\$14.80			\$25.99		\$25.99

2019 Affiliated EGWP -US & Puerto Rico* (PR)-Fixed Price

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Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer-Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer-Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Humalog U200 KwikPen - Open	00002-7712-27	6	0%				\$75.18			\$75.18		\$75.18
Humalog U200 KwikPen - Tiered	0000-27712-27	6	0%				\$51.99			\$67.98		\$67.95
Humalog U200 KwikPen Closed	00002-7712-27	6	0%				\$29.59			\$51.99		\$51.99
Humalog Cartridge - Open	00002-7516-59	15	0%				\$36.18			\$36.18		\$36.18
Humalog Cartridge - Tiered	00002-7516-59	15	0%				\$25.02			\$32.71		\$32.71
Humalog Cartridge - Closed	00002-7516-59	15	0%				\$14.24			\$25.02		\$25.02
Humalog 3ml -Open	00002-7510-17	3	0%				\$31.44		\$31.44		\$31.44	
Humalog 3ml -Tiered	00002-7510-17	3	0%				\$31.11		\$31.11		\$31.11	
Humalog 3ml -Closed	00002-7510-17	3	0%				\$30.45		\$30.45		\$30.45	
Humulin 10ml Vials - Open	00002-8315-01	10	0%				\$15.95			\$15.95		\$15.95
Humulin 10ml Vials - Tiered	00002-8315-01	10	0%				\$11.03			\$14.42		\$14.42
Humulin 10ml Vials - Closed	00002-8315-01	10	0%				\$6.28			\$11.03		\$11.03
Humulin 10ml Vials - Open	00002-8215-01	10	0%				\$15.95			\$15.95		\$15.95
Humulin 10ml Vials - Tiered	00002-8215-01	10	0%				\$11.03			\$14.42		\$14.42
Humulin 10ml Vials - Closed	00002-8215-01	10	0%				\$6.28			\$11.03		\$11.03
Humulin 10ml Vials - Open	00002-8715-01	10	0%				\$15.95			\$15.95		\$15.95
Humulin 10ml Vials - Tiered	00002-8715-01	10	0%				\$11.03			\$14.42		\$14.42
Humulin 10ml Vials - Closed	00002-8715-01	10	0%				\$6.28			\$11.03		\$11.03
Humulin KwikPen - Open	00002-8805-59	15	0%				\$33.70			\$33.70		\$33.70

2019 Affiliated EGWP -US & Puerto Rico* (PR)-Fixed Price

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Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer-Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer-Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Humulin KwikPen - Tiered	00002-8805-59	15	0%				\$23.31			\$30.48		\$30.48
Humulin KwikPen - Closed	00002-8805-59	15	0%				\$13.26			\$23.31		\$23.31
Humulin KwikPen - Open	00002-8803-59	15	0%				\$33.70			\$33.70		\$33.70
Humulin KwikPen - Tiered	00002-8803-59	15	0%				\$23.31			\$30.48		\$30.48
Humulin KwikPen - Closed	00002-8803-59	15	0%				\$13.26			\$23.31		\$23.31
Humulin 3ml - Open	00002-8315-17	3	0%				\$17.02		\$17.02		\$17.02	
Humulin 3ml - Tiered	00002-8315-17	3	0%				\$16.84		\$16.84		\$16.84	
Humulin 3ml - Closed	00002831517	3	0%				\$16.48		\$16.48		\$16.48	
Humulin 3ml - Open	00002-8215-17	3	0%				\$17.02		\$17.02		\$17.02	
Humulin 3ml - Tiered	00002-8215-17	3	0%				\$16.84		\$16.84		\$16.84	
Humulin 3ml - Closed	00002-8215-17	3	0%				\$16.48		\$16.48		\$16.48	
Humulin R U500 vials-Open	00002-8501-01	20	0%	\$91.04								
Humulin R U500 vials-Tiered	00002-8501-01	20	0%	\$90.40								
Humulin R U500 vials-Closed	00002-8501-01	20	0%	\$88.13								
Humulin R U500 KwikPen - Open	00002-8824-27	6	0%	\$117.18								
Humulin R U500 KwikPen - Tiered	00002-8824-27	6	0%	\$116.32								
Humulin R U500 KwikPen - Closed	00002-8824-27	6	0%	\$113.51								
Olumiant Tablet 2MG-Open	00002-4182-30	30										
Olumiant Tablet 2MG-Tiered	00002-4182-30	30										

2019 Affiliated EGWP -US & Puerto Rico* (PR)-Fixed Price

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Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer Status- Preferred Brand Tier
Olumiant Tablet 2MG-Closed	00002-4182-30	30										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML- 1 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-01	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-01	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-01	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-01	120										

2019 Affiliated EGWP -US & Puerto Rico* (PR)-Fixed Price

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Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status - Preferred Brand Tier	1 of 2 Manufacturer Status	1 of 2 Manufacturer Status - Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer Status - Preferred Brand Tier
MG/ML-2 generic product step edit												

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2019 Affiliated EGWP Plans- US & Puerto Rico* (PR)-Baseline Rebate

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Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Basaglar Open	00002-7715-59	15	0%						1%	1%		
Basaglar Tiered	00002-7715-59	15	0%						31%	28%		
Basaglar Closed	00002-7715-59	15	0%						71%	65%		
Trulicity- Open	00002-1433-80	2										
Trulicity- Tiered	00002-1433-80	2										
Trulicity-Closed	00002-1433-80	2										
Trulicity- Open	00002-1434-80	2										
Trulicity- Tiered	00002-1434-80	2										
Trulicity-Closed	00002-1434-80	2										
Forteo – Open	00002-8400-01	2.4										
Forteo – Tiered	00002-8400-01	2.4										
Forteo – Closed	00002-8400-01	2.4										
Forteo – Open –appropriate PA	00002-8400-01	2.4										
Forteo – Tiered–appropriate PA	00002-8400-01	2.4										
Forteo – Closed–appropriate PA	00002-8400-01	2.4										
Glucagon - Open	00002-8031-01	1										
Glucagon - Tiered	00002-8031-01	1										
Glucagon - Closed	00002-8031-01	1										
Humatrope 5mg Vials-Open	00002-7335-11	1										
Humatrope 5mg Vials-Tiered	00002-7335-11	1										

2019 Affiliated EGWP Plans- US & Puerto Rico* (PR)-Baseline Rebate

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Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer Status- Preferred Brand Tier
Humatrope 5mg Vials- Closed	00002-7335-11	1										
Humatrope 6mg Cartridge - Open	00002814701	1										
Humatrope 6mg Cartridge - Tiered	00002-8147-01	1										
Humatrope 6mg Cartridge - Closed	00002-8147-01	1										
Humatrope 12mg Cartridge- Open	00002-8148-01	1										
Humatrope 12mg Cartridge- Tiered	00002-8148-01	1										
Humatrope 12mg Cartridge- Closed	00002-8148-01	1										
Humatrope 24mg Cartridge- Open	00002-8149-01	1										
Humatrope 24mg Cartridge- Tiered	00002-8149-01	1										
Humatrope 24mg Cartridge- Closed	00002-8149-01	1										
Humalog 10mL Vials - - Open	00002-7510-01	10	0%				6.0%			6%		6.0%
Humalog 10mL Vials - Tiered	00002-7510-01	10	0%				35.0%			15%		15.0%
Humalog 10mL Vials - Closed	00002-7510-01	10	0%				63.0%			35%		35.0%
Humalog 10mL Mix Vials - Open	00002-7512-01	10	0%				6.0%			6%		6.0%
Humalog 10mL Mix Vials - Tiered	00002-7512-01	10	0%				35.0%			15%		15.0%
Humalog 10mL Mix Vials - Closed	00002-7512-01	10	0%				63.0%			35.0%		35.0%
Humalog 10mL Vials - - Open	00002-7511-01	10	0%				6.0%			6.0%		6.0%

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2019 Affiliated EGWP Plans- US & Puerto Rico* (PR)-Baseline Rebate

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Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status - Preferred Brand Tier	1 of 2 Manufacturer Status	1 of 2 Manufacturer Status - Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Humalog 10mL Vials - Tiered	00002-7511-01	10	0%				15.0%			15.0%		15.0%
Humalog 10mL Vials - Closed	00002-7511-01	10	0%				35.0%			35.0%		35.0%
Humalog U100 KwikPen - Open	00002-8799-59	15	0%				6.0%			6.0%		6.0%
Humalog U100 KwikPen - Tiered	00002-8799-59	15	0%				35.0%			15.0%		15.0%
Humalog U100 KwikPen Closed	00002-8799-59	15	0%				63.0%			35.0%		35.0%
Humalog U100 KwikPen - Open	00002-8798-59	15	0%				6.0%			6.0%		6.0%
Humalog U100 KwikPen - Tiered	00002-8798-59	15	0%				35.0%			15.0%		15.0%
Humalog U100 KwikPen Closed	00002-8798-59	15	0%				63.0%			35.0%		35.0%
Humalog U100 KwikPen - Open	00002-8797-59	15	0%				6.0%			6.0%		6.0%
Humalog U100 KwikPen - Tiered	00002-8797-59	15	0%				35.0%			15.0%		15.0%
Humalog U100 KwikPen Closed	00002-8797-59	15	0%				63.0%			35.0%		35.0%
Humalog U200 KwikPen - Open	00002-7712-27	6	0%				6.0%			6.0%		6.0%
Humalog U200 KwikPen - Tiered	00002-7712-27	6	0%				35.0%			15.0%		15.0%
Humalog U200 KwikPen Closed	00002-7712-27	6	0%				63.0%			35.0%		35.0%
Humalog Cartridge - Open	00002-7516-59	15	0%				6.0%			6.0%		6.0%
Humalog Cartridge - Tiered	00002-7516-59	15	0%				35.0%			15.0%		15.0%
Humalog Cartridge - Closed	00002-7516-59	15	0%				63.0%			35.0%		35.0%

2019 Affiliated EGWP Plans- US & Puerto Rico* (PR)-Baseline Rebate

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Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status - Preferred Brand Tier	1 of 2 Manufacturer Status	1 of 2 Manufacturer Status - Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Humalog 3ml -Open	00002-7510-17	3	0%				4.0%		4.0%		4.0%	
Humalog 3ml -Tiered	00002-7510-17	3	0%				5.0%		5.0%		5.0%	
Humalog 3ml -Closed	00002-7510-17	3	0%				7.0%		7.0%		7.0%	
Humulin 10ml Vials - Open	00002-8315-01	10	0%				6.0%			6.0%		6.0%
Humulin 10ml Vials - Tiered	00002-8315-01	10	0%				35.0%			15.0%		15.0%
Humulin 10ml Vials - Closed	00002-8315-01	10	0%				63.0%			35.0%		35.0%
Humulin 10ml Vials - Open	00002-8215-01	10	0%				6.0%			6.0%		6.0%
Humulin 10ml Vials - Tiered	00002-8215-01	10	0%				35.0%			15.0%		15.0%
Humulin 10ml Vials - Closed	00002-8215-01	10	0%				63.0%			35.0%		35.0%
Humulin 10ml Vials - Open	00002-8715-01	10	0%				6.0%			6.0%		6.0%
Humulin 10ml Vials - Tiered	00002-8715-01	10	0%				35.0%			15.0%		15.0%
Humulin 10ml Vials - Closed	00002-8715-01	10	0%				63.0%			35.0%		35.0%
Humulin KwikPen - Open	00002-8805-59	15	0%				6.0%			6.0%		6.0%
Humulin KwikPen - Tiered	00002-8805-59	15	0%				35.0%			15.0%		15.0%
Humulin KwikPen - Closed	00002-8805-59	15	0%				63.0%			35.0%		35.0%
Humulin KwikPen - Open	00002-8803-59	15	0%				6.0%			6.0%		6.0%
Humulin KwikPen - Tiered	00002-8803-59	15	0%				35.0%			15.0%		15.0%
Humulin KwikPen - Closed	00002-8803-59	15	0%				63.0%			35.0%		35.0%
Humulin 3ml - Open	00002-8315-17	3	0%				4.0%		4.0%		4.0%	
Humulin 3ml - Tiered	00002-8315-17	3	0%				5.0%		5.0%		5.0%	

2019 Affiliated EGWP Plans- US & Puerto Rico* (PR)-Baseline Rebate

(* The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer-Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer-Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Humulin 3ml - Closed	00002-8315-17	3	0%				7.0%		7.0%		7.0%	
Humulin 3ml - Open	00002-8215-17	3	0%				4.0%		4.0%		4.0%	
Humulin 3ml - Tiered	00002-8215-17	3	0%				5.0%		5.0%		5.0%	
Humulin 3ml - Closed	00002-8215-17	3	0%				7.0%		7.0%		7.0%	
Humulin R U500 vials-Open	00002-8501-01	20	0%	1.0%								
Humulin R U500 vials-Tiered	00002-8501-01	20	0%	2.0%								
Humulin R U500 vials-Closed	00002-8501-01	20	0%	4.0%								
Humulin R U500 KwikPen - Open	00002-8824-27	6	0%	1.0%								
Humulin R U500 KwikPen - Tiered	00002-8824-27	6	0%	2.0%								
Humulin R U500 KwikPen - Closed	00002-8824-27	6	0%	4.0%								
Olumiant Tablet 2MG-Open	00002-4182-30	30										
Olumiant Tablet 2MG-Tiered	00002-4182-30	30										
Olumiant Tablet 2MG-Closed	00002-4182-30	30										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-01	120										
Emgality Subcutaneous Solution Auto-Injector 120	00002-1436-11	120										

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2019 Affiliated EGWP Plans- US & Puerto Rico* (PR)-Baseline Rebate

(* The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status- Preferred Brand Tier	1 of 2 Manufacturer Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer Status - Preferred Brand Tier
MG/ML-2 generic product step edit												
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-01	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-11	120										
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-01	120										

2019 Non Affiliated Plans and Non Affiliated EGWP Plans-US & Puerto Rico* (PR)-Fixed Price

(*The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer-Status	1 of 1 Manufacturer Status-Preferred Brand Tier	1 of 2 Manufacturer-Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status-Preferred Brand Tier	Listed Formulary Status
Basaglar (Exclusive Insulin Glargine)	00002-7715-59	15	3%		\$18.34				\$7.59				
Basaglar (Exclusive U100)	00002-7715-59	15	3%		\$20.14						\$10.71		
Basaglar	00002-7715-59	15											
Trulicity	00002-1434-80	2											
Trulicity (all Preferred agents in Non-Preferred Brand Tier)	00002-1433-80	2											
Forteo	00002-8400-01	2.4											
Forteo -appropriate PA	00002-8400-01	2.4											
Glucagon	00002-8031-01	1											
Humatrope 5mg Vials	00002-7335-11	1											
Humatrope 6mg Cartridge	00002-8147-01	1											
Humatrope 12mg Cartridge	00002-8148-01	1											
Humatrope 24mg Cartridge	00002-8149-01	1											
Humalog 10mL Vials	00002-7510-01	10	3%				\$12.42			\$21.06		\$21.06	\$30.02
Humalog 10mL Mix Vials	00002-7512-01	10	3%				\$12.85			\$21.82		\$21.82	\$31.21
Humalog 10mL Mix Vials	00002-7511-01	10	3%				\$12.85			\$21.82		\$21.82	\$31.21
Humalog U100 KwikPen	00002-8799-59	15	3%				\$15.98			\$27.22		\$27.22	\$38.77
Humalog U100 KwikPen	00002-8798-59	15	3%				\$15.98			\$27.22		\$27.22	\$38.77

2019 Non Affiliated Plans and Non Affiliated EGWP Plans-US & Puerto Rico* (PR)-Fixed Price

(* The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer Status	1 of 1 Manufacturer Status-Preferred Brand Tier	1 of 2 Manufacturer Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer Status	1 of 3 Manufacturer Status-Preferred Brand Tier	Listed Formulary Status
Humalog U100 KwikPen	00002-8797-59	15	3%				\$15.98			\$27.22		\$27.22	\$38.77
Humalog U200 KwikPen	00002-7712-27	6	3%				\$31.86			\$54.22		\$54.22	\$77.54
Humalog Cartridge	00002-7516-59	15	3%				\$15.34			\$26.14		\$26.14	\$37.37
Humalog 3ml	00002-7510-17	3	3%				\$31.21		\$31.21		\$31.21		\$32.40
Humulin 10ml Vials	00002-8315-01	10	3%				\$6.80			\$11.56		\$11.56	\$16.42
Humulin 10ml Vials	00002-8215-01	10	3%				\$6.80			\$11.56		\$11.56	\$16.42
Humulin 10ml Vials	00002-8715-01	10	3%				\$6.80			\$11.56		\$11.56	\$16.42
Humulin KwikPen	00002-8805-59	15	3%				\$14.26			\$24.30		\$24.30	\$34.67
Humulin KwikPen	00002-8803-59	15	3%				\$14.26			\$24.30		\$24.30	\$34.67
Humulin 3ml	00002-8315-17	3	3%				\$16.96		\$16.96		\$16.96		\$17.60
Humulin 3ml	00002-8215-17	3	3%				\$16.96		\$16.96		\$16.96		\$17.60
Humulin R U500 vials	00002-8501-01	20	3%				\$89.96		\$89.96		\$89.96		\$90.64
Humulin R U500 KwikPen	00002-8824-27	6	3%				\$115.88		\$115.88		\$115.88		\$117.07
Olumiant Tablet 2MG	00002-4182-30	30											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-11	120											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-01	120											

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2019 Non Affiliated Plans and Non Affiliated EGWP Plans-US & Puerto Rico* (PR)-Fixed Price

(* The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer-Status	1 of 1 Manufacturer Status-Preferred Brand Tier	1 of 2 Manufacturer-Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status-Preferred Brand Tier	Listed Formulary Status
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-11	120											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-01	120											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-11	120											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-01	120											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-11	120											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic product step edit	00002-1436-01	120											

2019 Non Affiliated Plans and Non Affiliated EGWP Plans- US & Puerto Rico* (PR)-Baseline Rebate

(*The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NTX ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer-Status	1 of 1 Manufacturer Status-Preferred Brand Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier	Listed Formular y Status
Basaglar (Exclusive Insulin Glargine)	00002-7715-59	15	3%		20%				68%				
Basaglar (Exclusive U100)	00002-7715-59	15	3%		15%						53%		
Basaglar	00002-7715-59	15	3%		5%								1%
Trulicity	00002-1434-80	2											
Trulicity (all Preferred agents in Non-Preferred Brand Tier)	00002-1433-80	2											
Forteo	00002-8400-01	2.4											
Forteo -appropriate PA	00002-8400-01	2.4											
Glucagon	00002-8031-01	1											
Humatrope 5mg Vials	00002-7335-11	1											
Humatrope 6mg Cartridge	0000-28147-01	1											
Humatrope 12mg Cartridge	00002-8148-01	1											
Humatrope 24mg Cartridge	00002-8149-01	1											
Humalog 10mL Vials	00002-7510-01	10	3%				60.0%			32.0%		32.0%	3.0%
Humalog 10mL Mix Vials	00002-7512-01	10	3%				60.0%			32.0%		32.0%	3.0%
Humalog 10mL Mix Vials	00002-7511-01	10	3%				60.0%			32.0%		32.0%	3.0%
Humalog U100 KwikPen	00002-8799-59	15	3%				60.0%			32.0%		32.0%	3.0%
Humalog U100 KwikPen	00002-8798-59	15	3%				60.0%			32.0%		32.0%	3.0%
Humalog U100 KwikPen	00002-8797-59	15	3%				60.0%			32.0%		32.0%	3.0%

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2019 Non Affiliated Plans and Non Affiliated EGWP Plans- US & Puerto Rico* (PR)-Baseline Rebate

(*The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer-Status	1 of 1 Manufacturer Status-Preferred Brand Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier	Listed Formulary Status
Humalog U200 KwikPen	00002-7712-27	6	3%				60.0%			32.0%		32.0%	3.0%
Humalog Cartridge	00002-7516-59	15	3%				60.0%			32.0%		32.0%	3.0%
Humalog 3ml	00002-7510--17	3	3%				4%		4%		4%		1%
Humulin 10ml Vials	00002-831501	10	3%				60.0%			32.0%		32.0%	3.0%
Humulin 10ml Vials	00002-8215-01	10	3%				60.0%			32.0%		32.0%	3.0%
Humulin 10ml Vials	00002-8715-01	10	3%				60.0%			32.0%		32.0%	3.0%
Humulin KwikPen	00002-8805-59	15	3%				60.0%			32.0%		32.0%	3.0%
Humulin KwikPen	00002-8803-59	15	3%				60.0%			32.0%		32.0%	3.0%
Humulin 3ml	00002-8315-17	3	3%				4%		4%		4%		1%
Humulin 3ml	00002-8215-17	3	3%				4%		4%		4%		1%
Humulin R U500 vials	00002-8501-01	20	3%				2%		2%		2%		1%
Humulin R U500 KwikPen	00002-8824-27	6	3%				2%		2%		2%		1%
Olumiant Tablet 2MG	00002-4182-30	30											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic product step edit	00002-1436-11	120											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic step edit	00002-1436-01	120											
Emgality Subcutaneous Solution Auto-Injector 120	00002-1436-11	120											

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2019 Non Affiliated Plans and Non Affiliated EGWP Plans- US & Puerto Rico* (PR)-Baseline Rebate

(*The below Fixed Prices and Rebates for all Humalog & Humulin Products are US only. PR Fixed Prices and Rebates for these products are listed separately in this Exhibit C)

Product	NTC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer-Status	1 of 1 Manufacturer Status-Preferred Brand Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier	Listed Formulary Status
MG/ML-2 generic step edit													
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic step edit	00002-1436-01	120											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic step edit	00002-1436-11	120											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-1 generic step edit	00002-1436-01	120											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic step edit	00002-1436-11	120											
Emgality Subcutaneous Solution Auto-Injector 120 MG/ML-2 generic step edit	00002-1436-01	120											

2020 Affiliated Plans- US and Puerto Rico (PR)-Fixed Price											
Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer -Status	1 of 1 Manufacturer Status-Preferred Brand Tier	1 of 2 Manufacturer -Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status-Preferred Brand Tier
Basaglar	00002-7715-59	15	0%						\$7.30		
Basaglar-Tier 2	00002-7715-59	15	0%						\$6.54		
Trulicity	00002-1433-80	2									
Trulicity	00002-1434-80	2									
Olumiant Tablet 2MG	00002-4182-30	30									
2020 Affiliated Plans- US & Puerto Rico (PR)-Baseline Rebate											
Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 1 Manufacturer -Status	1 of 1 Manufacturer Status-Preferred Brand Tier	1 of 2 Manufacturer -Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status-Preferred Brand Tier
Basaglar	00002-7715-59	15	0%						71%		
Basaglar- Tier 2	00002-7715-59	15	0%						74%		
Trulicity	00002-1433-80	2									
Trulicity	00002-1434-80	2									
Olumiant Tablet 2MG	00002-4182-30	30									

2020 Affiliated EGWP Plans- US and Puerto Rico (PR)-Fixed Price

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Specialty Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status- Preferred Brand Tier
Basaglar - Open	00002-7715-59	15	0%			\$24.91	\$24.91	
Basaglar - Tiered	00002-7715-59	15	0%			\$17.36	\$18.11	
Basaglar - Closed	00002-7715-59	15	0%			\$7.30	\$8.81	
Trulicity - Open	00002-1433-80	2						
Trulicity - Tiered	00002-1433-80	2						
Trulicity - Closed	00002-1433-80	2						
Trulicity - Open	00002-1434-80	2						
Trulicity - Tiered	00002-1434-80	2						
Trulicity - Closed	00002-1434-80	2						
Olumiant Tablet 2MG-Open	00002-4182-30	30						
Olumiant Tablet 2MG-Tiered	00002-4182-30	30						
Olumiant Tablet 2MG-Closed	00002-4182-30	30						

2020 Affiliated EGWP Plans- US & Puerto Rico (PR)-Baseline Rebate								
Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Specialty Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status- Preferred Brand Tier
Basaglar - Open	00002-7715-59	15	0%			1%	1.0%	
Basaglar - Tiered	00002-7715-59	15	0%			31%	28%	
Basaglar - Closed	00002-7715-59	15	0%			71%	65%	
Trulicity - Open	00002-1433-80	2						
Trulicity - Tiered	00002-1433-80	2						
Trulicity - Closed	00002-1433-80	2						
Trulicity - Open	00002-1434-80	2						
Trulicity - Tiered	00002-1434-80	2						
Trulicity - Closed	00002-1434-80	2						
Olumiant Tablet 2MG-Open	00002-4182-30	30						
Olumiant Tablet 2MG-Tiered	00002-4182-30	30						
Olumiant Tablet 2MG-Closed	00002-4182-30	30						

2020 Non Affiliated Plans- US and Puerto Rico (PR)-Fixed Price											
Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer - Status	1 of 3 Manufacturer-Status- Preferred Brand Tier	Listed Formulary Status
Basaglar (Exclusive Insulin Glargine)	00002-7715-59	15	3%		\$19.44		\$8.05				
Basaglar (Exclusive U100)	00002-7715-59	15	3%		\$21.35				\$11.35		
Basaglar	00002-7715-59	15	3%		\$23.60						\$24.91
Trulicity	00002-1434-80	2									
Trulicity (all Preferred agents in Non-Preferred Brand Tier)	00002-1433-80	2									
Olumiant Tablet 2MG	00002-4182-30	30									

2020 Non Affiliated Plans- US & Puerto Rico (PR)-Baseline Rebate											
Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	Non-Preferred Brand Tier	Specialty Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer - Status	1 of 3 Manufacturer-Status- Preferred Brand Tier	Listed Formulary Status
Basaglar (Exclusive Insulin Glargine)	00002-7715-59	15	3%		20%		68%				
Basaglar (Exclusive U100)	00002-7715-59	15	3%		15%				53%		
Basaglar	00002-7715-59	15	3%		5%						1%
Trulicity	00002-1434-80	2									
Trulicity (all Preferred agents in Non-Preferred Brand Tier)	00002-1433-80	2									
Olumiant Tablet 2MG	00002-4182-30	30									

2021 Affiliated Plans- US and Puerto Rico (PR)-Fixed Price						
Product	NDC ¹	Units ²	Admin Fee	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status-Preferred Brand Tier
Basaglar	00002-7715-59	15	0%	\$7.73		
Basaglar-Tier 2	00002-7715-59	15	0%	\$6.93		
Trulicity	00002-1433-80	2				
Trulicity	00002-1434-80	2				
2021 Affiliated Plans- US and Puerto Rico (PR)-Baseline Rebate						
Product	NDC ¹	Units ²	Admin Fee	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status-Preferred Brand Tier
Basaglar	00002-7715-59	15	0%	71%		
Basaglar- Tier 2	00002-7715-59	15	0%	74%		
Trulicity	00002-1433-80	2				
Trulicity	00002-1434-80	2				

2021 Affiliated EGWP Plans- US and Puerto Rico (PR)-Fixed Price

Product	NDC ¹	Units ²	Admin Fee	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status-Preferred Brand Tier
Basaglar - Open	00002-7715-59	15	0%	\$26.40	\$26.40	
Basaglar - Tiered	00002-7715-59	15	0%	\$18.40	\$19.20	
Basaglar - Closed	00002-7715-59	15	0%	\$7.73	\$9.33	
Trulicity - Open	00002-1433-80	2				
Trulicity - Tiered	00002-1433-80	2				
Trulicity - Closed	00002-1433-80	2				
Trulicity - Open	00002-1434-80	2				
Trulicity - Tiered	00002-1434-80	2				
Trulicity - Closed	00002-1434-80	2				
Trulicity - Closed	00002-1434-80	2				

2021 Affiliated EGWP Plans- US and Puerto Rico (PR)-Baseline Rebate

Product	NDC ¹	Units ²	Admin Fee	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status-Preferred Brand Tier
Basaglar - Open	00002-7715-59	15	0%	1%	1.0%	
Basaglar - Tiered	00002-7715-59	15	0%	31%	28%	
Basaglar - Closed	00002-7715-59	15	0%	71%	65%	
Trulicity - Open	00002-1433-80	2				
Trulicity - Tiered	00002-1433-80	2				
Trulicity - Closed	00002-1433-80	2				
Trulicity - Open	00002-1434-80	2				
Trulicity - Tiered	00002-1434-80	2				
Trulicity - Closed	00002-1434-80	2				
Trulicity - Closed	00002-1434-80	2				

2021 Non Affiliated Plans- US and Puerto Rico (PR)-Fixed Price

Product	NDC ¹	Units ²	Admin Fee	Non-Preferred Brand Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer-Status-Preferred Brand Tier	Listed Formulary Status
Basaglar (Exclusive Insulin Glargine)	00002-7715-59	15	3%	\$20.61	\$8.53				
Basaglar (Exclusive U100)	00002-7715-59	15	3%	\$22.63			\$12.03		
Basaglar	00002-7715-59	15	3%	\$25.02					\$26.40
Trulicity	00002-1434-80	2							
Trulicity (all Preferred agents in Non-Preferred Brand Tier)	00002-1433-80	2							

2021 Non Affiliated Plans- US and Puerto Rico (PR)-Baseline Rebate

Product	NDC ¹	Units ²	Admin Fee	Non-Preferred Brand Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer-Status-Preferred Brand Tier	Listed Formulary Status
Basaglar (Exclusive Insulin Glargine)	00002-7715-59	15	3%	20%	68%				
Basaglar (Exclusive U100)	00002-7715-59	15	3%	15%			53%		
Basaglar	00002-7715-59	15	3%	5%					1%
Trulicity	00002-1434-80	2							
Trulicity (all Preferred agents in Non-Preferred Brand Tier)	00002-1433-80	2							

2022 Affiliated Plans- US and Puerto Rico (PR)-Fixed Price						
Product	NDC ¹	Units ²	Admin Fee	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status- Preferred Brand Tier
Basaglar	00002-7715-59	15	0%	\$8.20		
Basaglar-Tier 2	00002-7715-59	15	0%	\$7.35		
Trulicity	00002-1433-80	2				
Trulicity	00002-1434-80	2				
2022 Affiliated Plans- US and Puerto Rico (PR)-Baseline Rebate						
Product	NDC ¹	Units ²	Admin Fee	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status- Preferred Brand Tier
Basaglar	00002-7715-59	15	0%	71%		
Basaglar- Tier 2	00002-7715-59	15	0%	74%		
Trulicity	00002-1433-80	2				
Trulicity	00002-1434-80	2				

2022 Affiliated EGWP Plans- US and Puerto Rico (PR)-Fixed Price

Product	NDC ¹	Units ²	Admin Fee	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status-Preferred Brand Tier
Basaglar - Open	00002-7715-59	15	0%	\$27.98	\$27.98	
Basaglar - Tiered	00002-7715-59	15	0%	\$19.50	\$20.35	
Basaglar - Closed	00002-7715-59	15	0%	\$8.20	\$9.89	
Trulicity - Open	00002-1433-80	2				
Trulicity - Tiered	00002-1433-80	2				
Trulicity - Closed	00002-1433-80	2				
Trulicity - Open	00002-1434-80	2				
Trulicity - Tiered	00002-1434-80	2				
Trulicity - Closed	00002-1434-80	2				

2022 Affiliated EGWP Plans- US and Puerto Rico (PR)-Baseline Rebate

Product	NDC ¹	Units ²	Admin Fee	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status-Preferred Brand Tier
Basaglar - Open	00002-7715-59	15	0%	1%	1%	
Basaglar - Tiered	00002-7715-59	15	0%	31%	28%	
Basaglar - Closed	00002-7715-59	15	0%	71%	65%	
Trulicity - Open	00002-1433-80	2				
Trulicity - Tiered	00002-1433-80	2				
Trulicity - Closed	00002-1433-80	2				
Trulicity - Open	00002-1434-80	2				
Trulicity - Tiered	00002-1434-80	2				
Trulicity - Closed	00002-1434-80	2				

2022 Non Affiliated Plans- US and Puerto Rico (PR)-Fixed Price									
Product	NDC ¹	Units ²	Admin Fee	Non-Preferred Brand Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacture r-Status	1 of 3 Manufacturer- Status-Preferred Brand Tier	Listed Formulary Status
Basaglar (Exclusive Insulin Glargine)	00002-7715-59	15	3%	\$21.85	\$9.05				
Basaglar (Exclusive U100)	00002-7715-59	15	3%	\$23.99			\$12.75		
Basaglar	00002-7715-59	15	3%	\$26.52					\$27.98
Trulicity	00002-1434-80	2							
Trulicity (all Preferred agents in Non-Preferred Brand Tier)	00002-1433-80	2							
2022 Non Affiliated Plans- US and Puerto Rico (PR)-Baseline Rebate									
Product	NDC ¹	Units ²	Admin Fee	Non-Preferred Brand Tier	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacture r-Status	1 of 3 Manufacturer- Status-Preferred Brand Tier	Listed Formulary Status
Basaglar (Exclusive Insulin Glargine)	00002-7715-59	15	3%	20%	68%				
Basaglar (Exclusive U100)	00002-7715-59	15	3%	15%			53%		
Basaglar	00002-7715-59	15	3%	5%					1%
Trulicity	00002-1434-80	2							
Trulicity (all Preferred agents in Non-Preferred Brand Tier)	00002-1433-80	2							

PR 2019 Fixed Price and Baseline Rebates for Humalog & Humulin Products

2019 Affiliated Plans-Puerto Rico (PR)-Fixed Price				
(Humalog & Humulin Products Only)				
Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier
Humulin R U-500	00002-8501-01	20	0%	\$85.48
Humulin R U-500 KwikPen	00002-8824-27	6	0%	\$110.11
2019 Affiliated Plans-Puerto Rico (PR)-Baseline Rebate				
(Humalog & Humulin Products Only)				
Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier
Humulin R U-500	00002-8501-01	20	0%	4.0%
Humulin R U-500 KwikPen	00002-8824-27	6	0%	4.0%

2019 Affiliated EGWP Plans-Puerto Rico (PR)-Fixed Price (Humalog & Humulin Products Only)									
Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	1 of 1 Manufacturer-Status	1 of 2 Manufacturer-Status	1 of 2 Manufacturer-Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer-Status - Preferred Brand Tier
Humalog 10mL Vials - Open	00002-7510-01	10	0%		\$28.33		\$28.33		\$28.33
Humalog 10mL Vials - Tiered	00002-7510-01	10	0%		\$19.59		\$25.61		\$25.61
Humalog 10mL Vials - Closed	00002-7510-01	10	0%		\$11.15		\$19.59		\$19.59
Humalog 10mL Mix Vials - Open	00002-7512-01	10	0%		\$29.36		\$29.36		\$29.36
Humalog 10mL Mix Vials - Tiered	00002-7512-01	10	0%		\$20.30		\$26.55		\$26.55
Humalog 10mL Mix Vials -Closed	00002-7512-01	10	0%		\$11.56		\$20.30		\$20.30
Humalog 10mL Mix Vials - Open	00002-7511-01	10	0%		\$29.36		\$29.36		\$29.36
Humalog 10mL Mix Vials - Tiered	00002-7511-01	10	0%		\$20.30		\$26.55		\$26.55
Humalog 10mL Mix Vials -Closed	00002-7511-01	10	0%		\$11.56		\$20.30		\$20.30
Humalog U100 KwikPen - Open	00002-8799-59	15	0%		\$36.46		\$36.46		\$36.46
Humalog U100 KwikPen - Tiered	00002-8799-59	15	0%		\$25.21		\$32.97		\$32.97
Humalog U100 KwikPen Closed	00002-8799-59	15	0%		\$14.35		\$25.21		\$25.21
Humalog U100 KwikPen - Open	00002-8798-59	15	0%		\$36.46		\$36.46		\$36.46
Humalog U100 KwikPen - Tiered	00002-8798-59	15	0%		\$25.21		\$32.97		\$32.97
Humalog U100 KwikPen Closed	00002-8798-59	15	0%		\$14.35		\$25.21		\$25.21
Humalog U100 KwikPen - Open	00002-8797-59	15	0%		\$36.46		\$36.46		\$36.46
Humalog U100 KwikPen - Tiered	00002-8797-59	15	0%		\$25.21		\$32.97		\$32.97
Humalog U100 KwikPen Closed	00002-8797-59	15	0%		\$14.35		\$25.21		\$25.21
Humalog U200 KwikPen - Open	00002-7712-27	6	0%		\$72.93		\$72.93		\$72.93
Humalog U200 KwikPen - Tiered	00002-7712-27	6	0%		\$50.43		\$65.94		\$65.94

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2019 Affiliated EGWP Plans-Puerto Rico (PR)-Fixed Price

(Humalog & Humulin Products Only)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	1 of 1 Manufacturer-Status	1 of 2 Manufacturer-Status	1 of 2 Manufacturer-Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer-Status- Preferred Brand Tier
Humalog U200 KwikPen Closed	00002-7712-27	6	0%		\$28.70		\$50.43		\$50.43
Humalog Cartridge - Open	00002-7516-59	15	0%		\$35.09		\$35.09		\$35.09
Humalog Cartridge - Tiered	00002-7516-59	15	0%		\$24.27		\$31.73		\$31.73
Humalog Cartridge - Closed	00002-7516-59	15	0%		\$13.81		\$24.27		\$24.27
Humalog 3ml -Open	00002-7510-17	3	0%		\$30.49	\$30.49		\$30.49	
Humalog 3ml -Tiered	00002-7510-17	3	0%		\$30.18	\$30.18		\$30.18	
Humalog 3ml -Closed	00002-7510-17	3	0%		\$29.54	\$29.54		\$29.54	
Humulin 10ml Vials - Open	00002-8315-01	10	0%		\$15.47		\$15.47		\$15.47
Humulin 10ml Vials - Tiered	00002-8315-01	10	0%		\$10.70		\$13.99		\$13.99
Humulin 10ml Vials - Closed	00002-8315-01	10	0%		\$6.09		\$10.70		\$10.70
Humulin 10ml Vials - Open	00002-8215-01	10	0%		\$15.47		\$15.47		\$15.47
Humulin 10ml Vials - Tiered	00002-8215-01	10	0%		\$10.70		\$13.99		\$13.99
Humulin 10ml Vials - Closed	00002-8215-01	10	0%		\$6.09		\$10.70		\$10.70
Humulin 10ml Vials - Open	00002-8715-01	10	0%		\$15.47		\$15.47		\$15.47
Humulin 10ml Vials - Tiered	00002-8715-01	10	0%		\$10.70		\$13.99		\$13.99
Humulin 10ml Vials - Closed	00002-8715-01	10	0%		\$6.09		\$10.70		\$10.70
Humulin KwikPen - Open	00002-8805-59	15	0%		\$32.69		\$32.69		\$32.69
Humulin KwikPen - Tiered	00002-8805-59	15	0%		\$22.61		\$29.56		\$29.56
Humulin KwikPen - Closed	00002-8805-59	15	0%		\$12.86		\$22.61		\$22.61
Humulin KwikPen - Open	00002-8803-59	15	0%		\$32.69		\$32.69		\$32.69
Humulin KwikPen - Tiered	00002-8803-59	15	0%		\$22.61		\$29.56		\$29.56

2019 Affiliated EGWP Plans-Puerto Rico (PR)-Fixed Price

(Humalog & Humulin Products Only)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	1 of 1 Manufacturer-Status	1 of 2 Manufacturer-Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Humulin KwikPen - Closed	00002-8803-59	15	0%		\$12.86		\$22.61		\$22.61
Humulin 3ml - Open	00002-8315-17	3	0%		\$16.51	\$16.51		\$16.51	
Humulin 3ml - Tiered	00002-8315-17	3	0%		\$16.33	\$16.33		\$16.33	
Humulin 3ml - Closed	00002-8315-17	3	0%		\$15.99	\$15.99		\$15.99	
Humulin 3ml - Open	00002-8215-17	3	0%		\$16.51	\$16.51		\$16.51	
Humulin 3ml - Tiered	00002-8215-17	3	0%		\$16.33	\$16.33		\$16.33	
Humulin 3ml - Closed	00002-8215-17	3	0%		\$15.99	\$15.99		\$15.99	
Humulin R U500 vials- Open	00002-8501-01	20	0%	\$88.31					
Humulin R U500 vials-Tiered	00002-8501-01	20	0%	\$87.69					
Humulin R U500 vials-Closed	00002-8501-01	20	0%	\$85.48					
Humulin R U500 KwikPen -Open	00002-8824-27	6	0%	\$113.67					
Humulin R U500 KwikPen - Tiered	00002-8824-27	6	0%	\$112.83					
Humulin R U500 KwikPen - Closed	00002-8824-27	6	0%	\$110.11					

2019 Affiliated EGWP Plans-Puerto Rico (PR)-Baseline Rebate

(Humalog & Humulin Products Only)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	1 of 1 Manufacturer-Status	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Humalog 10mL Vials - Open	00002-7510-01	10	0%		6.0%		6.0%		6.0%
Humalog 10mL Vials - Tiered	00002-7510-01	10	0%		35.0%		15.0%		15.0%
Humalog 10mL Vials - Closed	00002-7510-01	10	0%		63.0%		35.0%		35.0%
Humalog 10mL Mix Vials - Open	00002-7512-01	10	0%		6.0%		6.0%		6.0%
Humalog 10mL Mix Vials - Tiered	00002-7512-01	10	0%		35.0%		15.0%		15.0%
Humalog 10mL Mix Vials -Closed	00002-7512-01	10	0%		63.0%		35.0%		35.0%
Humalog 10mL Vials - - Open	00002-7511-01	10	0%		6.0%		6.0%		6.0%
Humalog 10mL Vials - Tiered	00002-7511-01	10	0%		15.0%		15.0%		15.0%
Humalog 10mL Vials - Closed	00002-7511-01	10	0%		35.0%		35.0%		35.0%
Humalog U100 KwikPen - Open	00002-8799-59	15	0%		6.0%		6.0%		6.0%
Humalog U100 KwikPen - Tiered	00002-8799-59	15	0%		35.0%		15.0%		15.0%
Humalog U100 KwikPen Closed	00002-8799-59	15	0%		63.0%		35.0%		35.0%
Humalog U100 KwikPen - Open	00002-8798-59	15	0%		6.0%		6.0%		6.0%
Humalog U100 KwikPen - Tiered	00002-8798-59	15	0%		35.0%		15.0%		15.0%
Humalog U100 KwikPen Closed	00002-8798-59	15	0%		63.0%		35.0%		35.0%
Humalog U100 KwikPen - Open	00002-8797-59	15	0%		6.0%		6.0%		6.0%
Humalog U100 KwikPen - Tiered	00002-8797-59	15	0%		35.0%		15.0%		15.0%
Humalog U100 KwikPen Closed	00002-8797-59	15	0%		63.0%		35.0%		35.0%
Humalog U200 KwikPen - Open	00002-7712-27	6	0%		6.0%		6.0%		6.0%
Humalog U200 KwikPen - Tiered	00002-7712-27	6	0%		35.0%		15.0%		15.0%
Humalog U200 KwikPen Closed	00002-7712-27	6	0%		63.0%		35.0%		35.0%
Humalog Cartridge - Open	00002-7516-59	15	0%		6.0%		6.0%		6.0%

2019 Affiliated EGWP Plans-Puerto Rico (PR)-Baseline Rebate

(Humalog & Humulin Products Only)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	1 of 1 Manufacturer-Status	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Humalog Cartridge - Tiered	00002-7516-59	15	0%		35.0%		15.0%		15.0%
Humalog Cartridge - Closed	00002-7516-59	15	0%		63.0%		35.0%		35.0%
Humalog 3ml -Open	00002-7510-17	3	0%		4.0%	4.0%		4.0%	
Humalog 3ml -Tiered	00002-7510-17	3	0%		5.0%	5.0%		5.0%	
Humalog 3ml -Closed	00002-7510-17	3	0%		7.0%	7.0%		7.0%	
Humulin 10ml Vials - Open	00002-8315-01	10	0%		6.0%		6.0%		6.0%
Humulin 10ml Vials - Tiered	00002-8315-01	10	0%		35.0%		15.0%		15.0%
Humulin 10ml Vials - Closed	00002-8315-01	10	0%		63.0%		35.0%		35.0%
Humulin 10ml Vials - Open	00002-8215-01	10	0%		6.0%		6.0%		6.0%
Humulin 10ml Vials - Tiered	00002-8215-01	10	0%		35.0%		15.0%		15.0%
Humulin 10ml Vials - Closed	00002-8215-01	10	0%		63.0%		35.0%		35.0%
Humulin 10ml Vials - Open	00002-8715-01	10	0%		6.0%		6.0%		6.0%
Humulin 10ml Vials - Tiered	00002-8715-01	10	0%		35.0%		15.0%		15.0%
Humulin 10ml Vials - Closed	00002-8715-01	10	0%		63.0%		35.0%		35.0%
Humulin KwikPen - Open	00002-8805-59	15	0%		6.0%		6.0%		6.0%
Humulin KwikPen - Tiered	00002-8805-59	15	0%		35.0%		15.0%		15.0%
Humulin KwikPen - Closed	00002-8805-59	15	0%		63.0%		35.0%		35.0%
Humulin KwikPen - Open	00002-8803-59	15	0%		6.0%		6.0%		6.0%
Humulin KwikPen - Tiered	00002-8803-59	15	0%		35.0%		15.0%		15.0%
Humulin KwikPen - Closed	00002-8803-59	15	0%		63.0%		35.0%		35.0%
Humulin 3ml - Open	00002-8315-17	3	0%		4.0%	4.0%		4.0%	

2019 Affiliated EGWP Plans-Puerto Rico (PR)-Baseline Rebate

(Humalog & Humulin Products Only)

Product	NDC ¹	Units ²	Admin Fee	Preferred Brand Tier	1 of 1 Manufacturer-Status	1 of 2 Manufacturer-Status	1 of 2 Manufacturer Status- Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier
Humulin 3ml - Tiered	00002-8315-17	3	0%		5.0%	5.0%		5.0%	
Humulin 3ml - Closed	00002-8315-17	3	0%		7.0%	7.0%		7.0%	
Humulin 3ml - Open	00002-8215-17	3	0%		4.0%	4.0%		4.0%	
Humulin 3ml - Tiered	00002-8215-17	3	0%		5.0%	5.0%		5.0%	
Humulin 3ml - Closed	00002-8215-17	3	0%		7.0%	7.0%		7.0%	
Humulin R U500 vials- Open	00002-8501-01	20	0%	1.0%					
Humulin R U500 vials-Tiered	00002-8501-01	20	0%	2.0%					
Humulin R U500 vials-Closed	00002-8501-01	20	0%	4.0%					
Humulin R U500 KwikPen -Open	00002-8824-27	6	0%	1.0%					
Humulin R U500 KwikPen - Tiered	00002-8824-27	6	0%	2.0%					
Humulin R U500 KwikPen - Closed	00002-8824-27	6	0%	4.0%					

2019 Non Affiliated Plans and Non Affiliated EGWP Plans-Puerto Rico-Fixed Price

(Humalog & Humulin Products Only)

Product	NDC ¹	Units ²	Admin Fee	1 of 1 Manufacturer-Status	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier	Listed Formulary Status
Humalog 10mL Vials	00002-7510-01	10	3%	\$12.05		\$20.43		\$20.43	\$29.13
Humalog 10mL Mix Vials	00002-7512-01	10	3%	\$12.46		\$21.16		\$21.16	\$30.27
Humalog 10mL Mix Vials	00002-7511-01	10	3%	\$12.46		\$21.16		\$21.16	\$30.27
Humalog U100 KwikPen	00002-8799-59	15	3%	\$15.51		\$26.40		\$26.40	\$37.61
Humalog U100 KwikPen	00002-8798-59	15	3%	\$15.51		\$26.40		\$26.40	\$37.61
Humalog U100 KwikPen	00002-8797-59	15	3%	\$15.51		\$26.40		\$26.40	\$37.61
Humalog U200 KwikPen	00002-7712-27	6	3%	\$30.91		\$52.59		\$52.59	\$75.22
Humalog Cartridge	00002-7516-59	15	3%	\$14.87		\$25.35		\$25.35	\$36.24
Humalog 3ml	00002-7510-17	3	3%	\$30.27	\$30.27		\$30.27		\$31.43
Humulin 10ml Vials	00002-8315-01	10	3%	\$6.60		\$11.21		\$11.21	\$15.92
Humulin 10ml Vials	00002-8215-01	10	3%	\$6.60		\$11.21		\$11.21	\$15.92
Humulin 10ml Vials	00002-8715-01	10	3%	\$6.60		\$11.21		\$11.21	\$15.92
Humulin KwikPen	00002-8805-59	15	3%	\$13.82		\$23.58		\$23.58	\$33.63
Humulin KwikPen	00002-8803-59	15	3%	\$13.82		\$23.58		\$23.58	\$33.63
Humulin 3ml	00002-8315-17	3	3%	\$16.45	\$16.45		\$16.45		\$17.07
Humulin 3ml	00002-8215-17	3	3%	\$16.45	\$16.45		\$16.45		\$17.07
Humulin R U500 vials	00002-8501-01	20	3%	\$87.26	\$87.26		\$87.26		\$88.20
Humulin R U500 KwikPen	00002-8824-27	6	3%	\$112.41	\$112.41		\$112.41		\$113.56

2019 Non Affiliated Plans and Non Affiliated EGWP Plans-Puerto Rico-Baseline Rebate

(Humalog & Humulin Products Only)

Product	NDC ¹	Units ²	Admin Fee	1 of 1 Manufacturer-Status	1 of 2 Manufacturer - Status	1 of 2 Manufacturer Status-Preferred Brand Tier	1 of 3 Manufacturer-Status	1 of 3 Manufacturer Status - Preferred Brand Tier	Listed Formulary Status
Humalog 10mL Vials	00002-7510-01	10	3%	60.0%		32.0%		32.0%	3.0%
Humalog 10mL Mix Vials	00002-7512-01	10	3%	60.0%		32.0%		32.0%	3.0%
Humalog 10mL Mix Vials	00002-7511-01	10	3%	60.0%		32.0%		32.0%	3.0%
Humalog U100 KwikPen	00002-8799-59	15	3%	60.0%		32.0%		32.0%	3.0%
Humalog U100 KwikPen	00002-8798-59	15	3%	60.0%		32.0%		32.0%	3.0%
Humalog U100 KwikPen	00002-8797-59	15	3%	60.0%		32.0%		32.0%	3.0%
Humalog U200 KwikPen	00002-7712-27	6	3%	60.0%		32.0%		32.0%	3.0%
Humalog Cartridge	00002-7516-59	15	3%	60.0%		32.0%		32.0%	3.0%
Humalog 3ml	00002-7510-17	3	3%	4%	4%		4%		1%
Humulin 10ml Vials	00002-8315-01	10	3%	60.0%		32.0%		32.0%	3.0%
Humulin 10ml Vials	00002-8215-01	10	3%	60.0%		32.0%		32.0%	3.0%
Humulin 10ml Vials	00002-8715-01	10	3%	60.0%		32.0%		32.0%	3.0%
Humulin KwikPen	00002-8805-59	15	3%	60.0%		32.0%		32.0%	3.0%
Humulin KwikPen	00002-8803-59	15	3%	60.0%		32.0%		32.0%	3.0%
Humulin 3ml	00002-8315-17	3	3%	4%	4%		4%		1%
Humulin 3ml	00002-8215-17	3	3%	4%	4%		4%		1%
Humulin R U500 vials	00002-8501-01	20	3%	2%	2%		2%		1%
Humulin R U500 KwikPen	00002-8824-27	6	3%	2%	2%		2%		1%

- B. **Conditions to Rebates.** The payment of Rebates for Products is subject to the satisfaction of the following conditions, as determined on a Product by Product, Part D Plan by Part D Plan, and Quarter by Quarter basis; provided that, if these conditions are not met for the entire Quarter, Rebates shall be payable on utilization of that Product for only that portion of the Quarter in which such conditions were met:

Conditions to Rebate Applicable for All Products
Conditions to Rebate-Product and/or Status Specific
Basaglar: <u>Affiliated</u> 1. For 1 of 2 Manufacturer Status a. Basaglar is the only Insulin Glargine on both the Preferred Brand Tier and Non-Preferred Brand Tier and all other Insulin Glargine shall have high control mechanisms, such as hard edits, hard prior authorizations, or NDC locks. o Insulin Glargines include Basaglar (U100), Lantus (U100) and Toujeo (U300). b. Tier 2 Plan Formulary Status. Tier 2 means the adjudication tier on a Formulary designed for products subject to the second lowest Member co-pay amount or co-insurance percentage for prescription products. 1. For 1 of 2 Manufacturer Status-Preferred Brand Tier a. Tier 2 Plan Formulary Status. Tier 2 means the adjudication tier on a Formulary designed for products subject to the second lowest Member co-pay amount or co-insurance percentage for prescription products. <u>Affiliated EGWP</u> For clarity, effective 1/1/2018 to 12/31/2022 for Basaglar and [REDACTED] Products placed in a tier that is not the lowest Member co-pay amount or co-insurance percentage available for any Branded Product excluding generic tier(s), regardless of the Competitive Category, are not eligible for this Preferred Brand Tier Rebate. 1. For 1 of 2 Manufacturer Status a. Basaglar is the only Insulin Glargine on both the Preferred Brand Tier and Non-Preferred Brand Tier and all other Insulin Glargine shall have high control mechanisms, such as hard edits, hard prior authorizations, or NDC locks. o Insulin Glargines include Basaglar, Lantus and Toujeo.

Non- Affiliated

1. For 1 of 2 Manufacturer Status

- a. Basaglar is the only Insulin Glargine on both the Preferred Brand Tier and Non-Preferred Brand Tier and all other Insulin Glargine shall have high control mechanisms, such as hard edits, hard prior authorizations, or NDC locks.
 - o **Insulin Glargines include** Basaglar, Lantus and Toujeo.
- b. For clarity, effective 1/1/2018 to 12/31/2022 for Basaglar and Trulicity Products placed in a tier that is not the lowest Member co-pay amount or co-insurance percentage available for any Branded Product excluding generic tier(s), regardless of the Competitive Category, are not eligible for this Preferred Brand Tier Rebate.

2. For 1 of 3 Manufacturer Status

- a. "Exclusive U-100 Insulin Glargine" means that, on both the Preferred Brand Tier and Non-Preferred Brand Tier, Basaglar is the only U-100 Insulin Glargine, and all other U-100 Insulin Glargines have high control mechanisms, such as hard edits, hard prior authorizations, or NDC locks.
 - o **Exclusive Insulin U100 Products** are Basaglar (U100) and Lantus (U100).
- b. For clarity, effective 1/1/2018 to 12/31/2022 for Basaglar and Trulicity Products placed in a tier that is not the lowest Member co-pay amount or co-insurance percentage available for any Branded Product excluding generic tier(s), regardless of the Competitive Category, are not eligible for this Preferred Brand Tier Rebate.

Non- Preferred

1. Non Preferred Exclusive Insulin Glargine means that, on both the Preferred Brand Tier and Non-Preferred Brand Tier, Basaglar is the only Insulin Glargine and all other Insulin Glargines have high control mechanisms, such as hard edits, hard prior authorizations, or NDC locks.
 - o **Insulin Glargines include** Basaglar (U100), Lantus (U100) and Toujeo (U300).
2. Non Preferred Exclusive U-100 means that, on both the Preferred Brand Tier and Non-Preferred Brand Tier, Basaglar is the only U-100 Insulin Glargine, and all other U-100 Insulin Glargines have high control mechanisms, such as hard edits, hard prior authorizations, or NDC locks.
 - o **Insulin U100 Products are** Basaglar (U100) and Lantus (U100).

Listed

1. For clarity, effective 1/1/2018 to 12/31/2022 for Basaglar and Trulicity Products placed in a tier that is not the lowest Member co-pay amount or co-insurance percentage available for any Branded Product excluding generic tier(s), regardless of the Competitive Category, are not eligible for this Preferred Brand Tier Rebate.

Forteo:



Trulicity:	
Glucagon:	
Humatrope:	
Humalog (10ml vial, 10ml Mix vial, U100 KwikPen, U200 KwikPen, Cartridge) 1. The Humalog Competitive Category shall be limited to only rapid acting analog and rapid acting analog mixed products as identified in the Agreement in Exhibit C. 2. Excludes 3ml vials. 3. "Humalog Mix 10ml vials" consists of Humalog Mix 75/25 vials and Humalog Mix 50/50 vials. 4. "Humalog U100 pens" consists of Humalog KwikPen, Humalog Mix 75/25 KwikPen, and Humalog Mix 50/50 KwikPen. Excludes Humalog U 200 KwikPen.	
Humalog 3ml 1. See Common Conditions.	

Humulin (10ml vial, KwikPen) 1. Excludes 3ml vials and Humulin R U500 vials and Humulin R U500 KwikPen.
Humulin 3ml 1. See Common Conditions.
Humulin R U500 Vials: See Common Conditions.
Humulin R U500 Kwikpen: See Common Conditions.
Olumiant: [REDACTED]
Emgality: [REDACTED]

C. Price Protection and Additional Rebate. N/A

D. Calculation of Rebates. Lilly shall pay the greater of the Fixed Price Rebate or the Baseline Rebate, as calculated on a Product by Product and Quarter by Quarter basis.

Fixed Price Rebates shall be calculated on a Part D Plan by Part D Plan basis as follows:

Number of Units of the Product dispensed to Members multiplied by WAC, or if applicable DACO Price, on the date of dispense minus the applicable Fixed Price.

In the event that the Fixed Price exceeds WAC, or if applicable DACO Price, then WAC, or if applicable DACO Price, in effect on the date of dispense will be used in the calculation of Baseline Rebates.

Baseline Rebates shall be calculated on a Part D Plan by Part D Plan basis as follows

Number of Units of the Product dispensed to Members multiplied by WAC, or if applicable DACO Price, in effect on the date of dispense multiplied by the applicable Baseline Rebate Percentage.

- E. Calculation of Administrative Fees.** Administrative Fees shall be calculated on a Part D Plan by Part D Plan basis as follows and is only available on the utilization of Non-Affiliated Plans:

Number of Units of Rebate-eligible Product dispensed to Members multiplied by WAC, or if applicable DACO Price, in effect on the date of dispense multiplied by the Administrative Fee Percentage set forth in the table below.

Administrative Fee Percentage
3.00%

F.



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The following example is for illustrative purposes only:



(ii) Reconciliation Payment. Upon receipt of the Utilization Reports from PBM, Lilly will compare the Quarterly Payment with the actual amount due as reflected in the current Quarter invoice. In the event that the applicable Quarterly Payment exceeds the amount invoiced, Lilly will accrue such excess to a debit account for PBM and any debit amount in this account will be deducted from the next payment to PBM. In the event that the amount invoiced exceeds the Quarterly Payment paid to PBM, Lilly will pay such excess to PBM within sixty (60) days of receipt of the Utilization Reports. Lilly will be under no obligation to submit any payments to PBM after the initial estimated payment of ninety percent (90%) of the last reconciled quarter's validated Rebate payment amount until the Reimbursement Data for the quarter is received by Lilly from PBM. This data must be processed and validated sequentially by calendar quarter. The date of reconciliation is based on sixty (60) days from the date of the final submittal of data for each quarter in chronological order. No validation will occur out of sequence. In regards to the accelerated rebate program above, if any Product(s) is removed from the Agreement, Lilly reserves the right to adjust the estimated payment for the quarter in which such removal occurs to reflect the reasonably projected actual utilization of the remaining Products by PBM. In the event that Lilly has overpaid PBM based upon the actual utilization data, Lilly may deduct the amount of such overpayment from any future payment obligations under the Agreement, or submit an invoice to PBM, such invoice to be paid upon forty-five (45) days of receipt.

(iii) Method of Payment. All payments made by Lilly shall be made electronically, via wire transfer, to the bank account designated by PBM. In the event payment is not made electronically (e.g., if payment is made by check), each payment due date set forth in this Section shall be automatically accelerated by seven (7) days. Tax ID numbers must be on file prior to payment of rebate.

(iv) Lilly Documentation. Regardless of whether any payment is required to be made by Lilly under subsection (2) above, Lilly shall deliver to PBM, electronically and within sixty (60) days of receipt of the Utilization Reports, the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively, a reconciliation report in either of the formats set forth in Exhibit A to the Agreement. The parties shall cooperate in good faith to correct any errors found with respect to Lilly's dispute calculations and make appropriate adjustments to future billings in accordance with any such corrections.

H. Additional Defined Terms. For purposes of this Exhibit C, the following definitions shall apply:

"1 of 1 Manufacturer Status" means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis that the Product is listed on the Plan Formulary with a Preferred Brand Tier designation and no Competitive Products are listed on the Plan Formulary

"1 of 1 Manufacturer Status-Preferred Brand Tier" means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis that the Product is listed on the Plan Formulary with a Preferred Brand Tier designation and no Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 2 Manufacturer Status" means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis, that the Product and the Competitive Products of only one other manufacturer are listed on the Plan Formulary

"1 of 2 Manufacturer Status-Preferred Brand Tier" means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis that the Product is listed on the Plan Formulary with a Preferred Brand Tier designation and the Competitive Products of only one other manufacturer are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 3 Manufacturer Status" means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis, that the Product and the Competitive Products of two other manufacturers are listed on the Plan Formulary.

“1 of 3 Manufacturer Status-Preferred Brand Tier” means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis that the Product is listed on the Plan Formulary with a Preferred Brand Tier designation and the Competitive Products of two other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

“1 of 4 Manufacturer Status” means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis, that the Product and the Competitive Products of three other manufacturers are listed on the Plan Formulary

“1 of 4 Manufacturer Status-Preferred Brand Tier” means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis that the Product is listed on the Plan Formulary with a Preferred Brand Tier designation and the Competitive Products of three other manufacturers are listed on the Plan Formulary with a Preferred Brand Tier designation.

“Competitive Categories” means, with respect to each Product, the following products (and associated manufacturers):

With respect to Basaglar (**Basal Insulin Competitive Category**) the following products (and associated manufacturers): Basaglar KwikPen (Lilly), Levemir Vial (Novo), Levemir Flexpen (Novo), Levemir FlexTouch Pen (Novo), Lantus Vial (Sanofi), Lantus Solostar (Sanofi), Tresiba FlexTouch U-100 (Novo), Tresiba FlexTouch U-200 (Novo), Toujeo MAX Solostar (Sanofi) and Toujeo Solostar (Sanofi).

With respect to Basaglar (**Insulin Glargine Competitive Category**) the following products (and associated manufacturers): Basaglar (Lilly), Lantus (Sanofi), and Toujeo (Sanofi).

With respect to Basaglar (**U-100 Insulin Glargine Competitive Category**) the following injection pen device products (and associated manufacturers): Basaglar (Lilly) and Lantus (Sanofi)

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With respect to Humalog (**Competitive Category limited to only rapid acting analog and rapid acting analog mixed products**), the following products: Humalog, Novolog, Fiasp, Apidra, Admelog and Afrezza.

With respect to Humulin (**Competitive Category-human insulin and human insulin mix products**), the following products: Humulin, Novolin, and Relion.



“Disadvantaging” or “Disadvantaging Activities” means on the applicable Plan Formulary or otherwise, any activities that are reasonably intended to discourage utilization of a Product in favor of a Competitive Product or give preference to a Competitive Product in dispensing decisions. “Disadvantaging” shall not include (i) Permitted Activities, (ii) dissemination of scientific information about products that is accurate, balanced, and not misleading, or (iii) actions taken for reasons of clinical appropriateness, Member safety, genetic testing or validation, or generic substitution or intervention that may occur at the point of sale so long as such substitution or intervention is not required by the Plan, PBM, or PBM’s affiliates.

“Listed Formulary Status” means, as determined on a Product by Product, Part D Plan by Part D Plan and Quarter by Quarter basis, that the Product is listed on the Plan Formulary.

“Fixed Price” means the price per unit for each NDC of a Product provided in the tables in Exhibits C which are used to calculate Fixed Price Rebates.

“Non-Preferred Brand Tier” means the adjudication tier with the highest Member co-pay amount or co-insurance percentage for branded, single source prescription products in the Product’s Competitive Category.

“Preferred Brand Tier” means the adjudication tier with the lowest Member co-pay amount or co-insurance percentage for branded, single source prescription products in the Product’s Competitive Category. Note that if a Part D Plan adjudicates all of the Competitive Category’s branded, single source prescription products at a higher cost share level (such as third tier or a specialty tier), such higher cost-share level shall be deemed the Preferred Brand Tier for the relevant Product unless otherwise noted in Exhibit C.

“Specialty Product” means a pharmaceutical, biotech or biological drug that is used in the management of chronic or genetic disease, including but not limited to, injectable, infused, or oral medications, or products that otherwise require special handling.

“Specialty Tier” means a separate category or tier on a Part D Plan’s Formulary designated for very high cost or unique products consistent with Part D Regulations and CMS guidelines. Products are included on a Part D Plan’s Specialty Tier based on such Part D Plan’s decision, taking into account any recommendation of the applicable P&T Committee that the Product placement and position is consistent with the MMA, Part D Regulations and applicable CMS guidance and in the best clinical interests of Participants. Only drugs with Part D Plan negotiated prices that exceed the threshold as may be established by CMS pursuant to 42 CFR 423.578(a)(7) may be placed in the Specialty Tier. Products in the Specialty Tier are given preferential status versus non-formulary products through formulary enforcement mechanisms including, but not limited to, lower co-pays and lack of prior authorization.

TENTH AMENDMENT TO
MEDICARE PART D PROGRAM REBATE AGREEMENT

THIS TENTH AMENDMENT TO Medicare Part D Program Rebate Agreement (the "Tenth Amendment") is made and effective as of January 1, 2019 ("Tenth Amendment Effective Date"), by and between CVS Caremark Part D Services, L.L.C., a Delaware limited liability company ("PBM") and Novo Nordisk Inc., a Delaware corporation ("Manufacturer").

Background

Manufacturer and PBM entered into a Medicare Part D Program Rebate Agreement, effective January 1, 2013, as amended ("Agreement"). Manufacturer and PBM desire to further amend the Agreement as hereinafter set forth.

Manufacturer and PBM agree as follows:

1. Effective January 1, 2019, Exhibit A to the Agreement is hereby deleted in its entirety and replaced with the attached Exhibit A.
2. Except as amended herein, all other terms and conditions of the Agreement shall remain in full force and effect. In the event of a conflict between the terms of this Tenth Amendment and the terms of the Agreement, the terms of this Tenth Amendment shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Tenth Amendment to be executed by their respective duly authorized officers or agents.

NOVO NORDISK INC.

CVS CAREMARK PART D SERVICES, L.L.C.

By: Farruq Jafery
Name: Farruq Jafery
Title: VP, Pricing, Contracting & Rebate Operations

By: Gary A. Loeber
Name: Gary A. Loeber, R. Ph.
Title: Senior Vice President, Trade Relations

3/4/2019

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EXHIBIT A
All Part D Plans including EGWPs
(Effective through 12/31/2020)

- A. Base Rebates.** The following Rebates shall be applicable for Products dispensed to Members of all Part D Plans, including EGWPs, by Participating Pharmacies:

Product Name	NDC#	Strength	Package Size	Listed Formulary Status
[REDACTED]				

- B. Conditions to Rebates.** The payment of Rebates is subject to the following conditions, as determined on a Product by Product, Part D Plan by Part D Plan, and month by month basis, provided that if these conditions are not met for the entire month, Rebates shall be payable on utilization of that Product for only that portion of the month in which such conditions were met:

1. The Product is listed on the Plan Formulary, provided this condition shall not apply to [REDACTED]
2. The Product adjudicates at Preferred Brand Tier or, if applicable, the Specialty Tier.
3. The Product is not Disadvantaged.
4. [REDACTED]

- C.** [REDACTED]

- D. AI Enhanced Offer** The following Rebates shall be payable on Product dispensed to Members of all Part D Plans, including EGWPs, by Participating Pharmacies that meet the enhanced offer requirements stated below:

2019 Product	NDCs	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 2 Manufacturer Status Option 1	1 of 2 Manufacturer Status Option 2
Novolin®	00169183311	\$4.18				
Novolin®	00169183411	\$4.18				

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Novolin®	00169183711	\$4.18				
Novolin® 70/30 FlexPen®	00169-3007-15	\$5.27				
NovoLog®	00169330312	\$9.61				
NovoLog®	00169633910	\$9.99				
NovoLog®	00169750111	\$7.76				
NovoLog® Mix 70/30	00169368512	\$8.04				
NovoLog® Mix 70/30	00169369619	\$9.99				
Fiasp® FlexTouch	00169320415	\$9.99				
Fiasp® 10mL vial	00169320111	\$7.76				
Levemir®	00169368712		\$16.62		\$9.10	\$11.92
Levemir®	00169643810		\$16.62		\$9.10	\$11.92
Ozempic®	00169413212					
Ozempic®	00169413602					
Tresiba®	00169266015		\$18.29		\$10.70	\$13.11
Tresiba®	00169255013		\$36.57		\$21.39	\$26.22
Tresiba® 10-mL	00169-2662-11		\$18.29		\$10.70	\$13.11
Victoza®	00169406012					
Victoza®	00169406013					
Xultophy®	00169291115		\$43.82			

For purposes of ease of calculation, the annual Fixed Price with Annual Inflation Cap as calculated above shall be equivalent to the values contained within the table below. In the event of a discrepancy between the percentages below and the Fixed Price with Annual Inflation Cap above, the Fixed Price with Annual Inflation Cap above will be used to calculate an adjusted percentage in the below table, however, the Rebates received by PBM shall not be lower than the percentages set forth below.

2019 Product	NDCs	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 2 Manufacturer Status with Basaglar Option 1	1 of 2 Manufacturer Status with Basaglar Option 2
Novolin®	00169183311	72.5%				
Novolin®	00169183411	72.5%				
Novolin®	00169183711	72.5%				
Novolin® 70/30 FlexPen®	00169-3007-15	72.5%				
NovoLog®	00169330312	72.5%				
NovoLog®	00169633910	72.5%				
NovoLog®	00169750111	72.5%				
NovoLog® Mix 70/30	00169368512	72.5%				
NovoLog® Mix 70/30	00169369619	72.5%				
Fiasp® FlexTouch	00169320415	72.5%				
Fiasp® 10mL vial	00169320111	72.5%				
Levemir®	00169368712		47.0%		71.0%	62.0%
Levemir®	00169643810		47.0%		71.0%	62.0%
Ozempic®	00169413212					
Ozempic®	00169413602					
Tresiba®	00169266015		47.0%		69.0%	62.0%

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Tresiba®	00169255013		47.0%		69.0%	62.0%
Tresiba® 10-mL	00169-2662-11		47.0%		69.0%	62.0%
Victoza®	00169406012					
Victoza®	00169406013					
Xultophy®	00169291115		41.0%			

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2020 Product	NDCs	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 2 Manufacturer Status with Basaglar Option 1	1 of 2 Manufacturer Status with Basaglar Option 2
Novolin®	00169183311	\$4.39				
Novolin®	00169183411	\$4.39				
Novolin®	00169183711	\$4.39				
Novolin® 70/30 FlexPen®	00169-3007-15	\$5.53				
NovoLog®	00169330312	\$10.09				
NovoLog®	00169633910	\$10.49				
NovoLog®	00169750111	\$8.14				
NovoLog® Mix 70/30	00169368512	\$8.45				
NovoLog® Mix 70/30	00169369619	\$10.49				
Fiasp® FlexTouch	00169320415	\$10.49				
Fiasp® 10mL vial	00169320111	\$8.14				
Levemir®	00169368712		\$17.45		\$9.55	\$12.51
Levemir®	00169643810		\$17.45		\$9.55	\$12.51
Ozempic®	00169413212					
Ozempic®	00169413602					
Tresiba®	00169266015		\$19.20		\$11.23	\$13.77
Tresiba®	00169255013		\$38.40		\$22.46	\$27.53
Tresiba® 10-mL	00169-2662-11		\$19.20		\$11.23	\$13.77
Victoza®	00169406012					
Victoza®	00169406013					
Xultophy®	00169291115		\$46.01			

For purposes of ease of calculation, the annual Fixed Price with Annual Inflation Cap as calculated above shall be equivalent to the values contained within the table below. In the event of a discrepancy between the percentages below and the Fixed Price with Annual Inflation Cap above, the Fixed Price with Annual Inflation Cap above will be used to calculate an adjusted percentage in the below table, however, the Rebates received by PBM shall not be lower than the percentages set forth below.

2020 Product	NDCs	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 2 Manufacturer Status with Basaglar Option 1	1 of 2 Manufacturer Status with Basaglar Option 2
Novolin®	00169183311	72.5%				
Novolin®	00169183411	72.5%				
Novolin®	00169183711	72.5%				
Novolin® 70/30 FlexPen®	00169-3007-15	72.5%				
NovoLog®	00169330312	72.5%				
NovoLog®	00169633910	72.5%				
NovoLog®	00169750111	72.5%				
NovoLog® Mix 70/30	00169368512	72.5%				
NovoLog® Mix 70/30	00169369619	72.5%				
Fiasp® FlexTouch	00169320415	72.5%				
Fiasp® 10mL vial	00169320111	72.5%				

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2020 Product	NDCs	1 of 1 Manufacturer Status	1 of 2 Manufacturer Status	1 of 3 Manufacturer Status	1 of 2 Manufacturer Status with Basaglar Option 1	1 of 2 Manufacturer Status with Basaglar Option 2
Levemir®	00169368712		47.0%		71.0%	62.0%
Levemir®	00169643810		47.0%		71.0%	62.0%
Ozempic®	00169413212					
Ozempic®	00169413602					
Tresiba®	00169266015		47%		69%	62%
Tresiba®	00169255013		47%		69%	62%
Tresiba® 10-mL	00169-2662-11		47%		69%	62%
Victoza®	00169406012					
Victoza®	00169406013					
Xultophy®	00169291115		41.0%			

The "Net Price" of a Product shall not increase to more than the applicable "Fixed Price with Annual Inflation Cap" in each "Contract Year" (January 1 through December 31). The "Fixed Price with Annual Inflation Cap" is calculated by:

Multiplying the WAC Price as of 6/1/2015 by the PP Factor from the table below (Annual Inflation Cap in table above, compounded annually) multiplied by 1 (one) minus the applicable year's rebate rate in Table A1. Tresiba® WAC as of 6/1/2015 shall be calculated at the insulin unit level based upon Levemir® WAC per insulin unit of 6/1/2015 multiplied by 110%.

E. A1 Enhanced Offer Conditions to Rebates: The payment of Rebates is subject to the following conditions, as determined on a Product by Product, Part D Plan by Part D Plan, and month by month basis, provided that all conditions below must be met in their entirety for all PBM's SilverScript PDP Plans otherwise Standard rates below shall apply. If these conditions are not met for the entire month, Rebates shall be payable on utilization of that Product for only that portion of the month in which such conditions were met.

1. The Product is listed on the Plan Formulary.
2. The Product adjudicates at Preferred Brand Tier or, if applicable, the Specialty Tier.
3. The Product is not Disadvantaged.
4. **Novolin®, NovoLog®, NovoLog® Mix 70/30, and Fiasp®** shall all have 1 of 1 Manufacturer Status (which shall be reflected by listing all of the following names of these Products on the Plan Formulary: Novolin® R, Novolin® N, Novolin® 70/30, Novolin® 70/30 FlexPen®, NovoLog®, NovoLog® PenFill®, NovoLog® FlexPen®, NovoLog® Mix 70/30, NovoLog® Mix 70/30 Prefill, Fiasp® and Fiasp® FlexTouch) and all presentations of Novolin®, NovoLog®, NovoLog® Mix 70/30, and Fiasp® are covered by the Part D Plan, to the extent permitted by the MMA and CMS guidelines.
5. **1 of 2 Manufacturer Status Option 1 with Basaglar, Levemir®, and Tresiba® in a generic tier; Lantus and Toujeo are Non-Formulary on the SilverScript PDP:** Tresiba®, and Levemir®, have 1 of 2 Manufacturer Status (which shall be reflected by listing all of the following names of these Products on the

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Plan Formulary: Levemir®, Levemir® FlexPen, Levemir® FlexTouch and Tresiba®) and all presentations of Tresiba® and Levemir® are covered by the Part D Plan, to the extent permitted by the MMA and CMS guidelines.

6. **1 of 2 Manufacturer Status Option 2 with Basaglar in the Preferred Brand Tier and Lantus and Toujeo are Non-Formulary:** Tresiba®, and Levemir®, have 1 of 2 Manufacturer Status (which shall be reflected by listing all of the following names of these Products on the Plan Formulary: Levemir®, Levemir® FlexTouch and Tresiba®) and all presentations of Tresiba® and Levemir® are covered by the Part D Plan, to the extent permitted by the MMA and CMS guidelines.

8. Xultophy® has 1 of 2 Manufacturer Status (which shall be reflected by listing the following name of this Product on the Plan Formulary: Xultophy®) and is covered by the Part D Plan, to the extent permitted by the MMA and CMS guidelines. Xultophy® 100/3.6 shall not be subject to any restrictions with the sole exception that PBM may restrict use for patients who have not previously received a prescription for liraglutide or any basal insulin. For purposes of clarification, PBM shall not restrict use of Xultophy to (1) only those patients who have previously received a prescription for liraglutide or (2) only those patients who have previously received a prescription for basal insulin.
9. For Novolin® Novolog®, and Fiasp® all Non-Preferred Competitive Products are subject to Exclusion, and existing patients using a Non-Preferred Competitive Product may not be grandfathered.
10. Rebates in this Enhanced Offer, only, are contingent upon PBM agreeing that any future Manufacturer entrant shall not be excluded from PBM's formulary due to restrictive or prohibitory language in the contracts of manufactures with Competitive Products in the current Competitive Categories and/or combination of current Competitive Categories.

PBM shall not solicit a rebid for a Product prior to January 1, 2021 (the foregoing does not prohibit rebid for product utilization occurring on or after January 1, 2021); and shall maintain the Formulary status of Product as described in 4, 5 and 6, above, during the term of this agreement unless such rebid or Formulary status change is undertaken as a result of:

- A generic or Biosimilar formulation of Product becomes commercially available; or
- A governmental authority requires the removal of a Product from Formulary(ies); or
- FDA label related safety reasons (e.g., FDA black box warning or other FDA safety alert) or Product withdrawal or recall;
- The Manufacturer's removal of the Product from the market place or sale or transfer of a Product or PBM changing a Product's Formulary Status due to Manufacturer altering the Product; or
- A Governmental authority or PBM's P&T requires the removal of an entire Competitive Category or requires utilization management across an entire Competitive Category.

- F. **A2 Standard Offer:** The following Rebates shall be payable on Product dispensed to Members of all Part D Plans, including EGWPs, by Participating Pharmacies that do not meet the enhanced offer requirements above:

Product Name	NDC#	Strength	Package Size	Rebate Based on Formulary Status			
				1 of 1 Manufacturer Status	1 of 2 Manufacturer Status ²	1 of 3 Manufacturer Status ²	Listed Formulary Status ¹
Novolin®	00169-1833-11 00169-1834-11 00169-1837-11 00169-3007-15	All Strengths	All Package Sizes	69.50%	18%	N/A	15%
NovoLog®	All NDCs	All Strengths	All Package Sizes	69.50%	18%	N/A	15%

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NovoLog® Mix 70/30	All NDCs	All Strengths	All Package Sizes	69.50%	18%	N/A	15%
Fiasp®	ALL NDCs	All Strengths	All Package Sizes	69.50%	18%	N/A	15%
Levemir®	All NDCs	All Strengths	All Package Sizes	N/A	22%	N/A	15%
Ozempic®	All NDCs	All Strengths	All Package Sizes				
Tresiba®	All NDCs	All Strengths	All Package Sizes	N/A	22%	N/A	15%
Victoza®	All NDCs	All Strengths	All Package Sizes				

¹Available to EGWP Plans only.

²Available only to EGWP and Non-Affiliated Plans

G. A2 Standard Offer Conditions to Rebates: The payment of Rebates is subject to the following conditions, as determined on a Product by Product, Part D Plan by Part D Plan, and month by month basis, provided that if these condition are not met for the entire month, Rebates shall be payable on utilization of that Product for only that portion of the month in which such conditions were met:

1. The Product is listed on the Plan Formulary, provided this condition shall not apply to [REDACTED]
2. The Product adjudicates at Preferred Brand Tier or, if applicable, the Specialty Tier.
3. The Product is not Disadvantaged.
4. Competitive Products not listed on Preferred Brand Tier of Plan Formulary do not adjudicate at such tier unless a result of Permitted Activities or unless required by the MMA.

H. Price Protection and Additional Rebate for Standard Offer. If the WAC, in effect as of the date the Product is dispensed, of any NDC of a Product is increased, regardless of whether such increase occurs prior to, on or after the start of the then current Rebate Contract Year, such that it exceeds the Price Increase Limitation Price, then Manufacturer shall pay an Additional Rebate (which shall be in addition to the Base Rebates described above). For purposes of this Section, the following definitions shall apply:

"Additional Rebate" shall mean, for each NDC of Product, the dollar amount by which NEP exceeds Maximum NEP.

"Baseline WAC" means, for each NDC of a Product: (i) for the first Rebate Contract Year, the WAC in effect as of June 1, 2015, and (ii) for each subsequent Rebate Contract Year, the WAC in effect as of June 1st of the prior Rebate Contract Year. The Baseline WAC for any NDC introduced mid-Rebate Contract Year shall be determined by PBM by comparison to the NDC of the most similar dosage form/strength of the Product. Tresiba® WAC as of 6/1/2015 shall be calculated at the insulin unit level based upon Levemir® WAC per insulin unit of 6/1/2015 multiplied by 110%. Fiasp® WAC shall be calculated at the insulin level based upon NovoLog® WAC per insulin unit as of 6/1/15. The net price calculation should be as such: 00169320415 equivalent to 00169633910, 00169320111 equivalent to 00169750111.

"Maximum NEP" means, for each NDC of a Product, the Price Increase Limitation Price minus the Base Rebate.

"NEP" means, for each NDC of a Product, WAC minus the Base Rebate.

"Price Increase Limitation Price" means Baseline WAC increased by the Price Increase Limitation Rate.

"Price Increase Limitation Rate" means: 8%

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The Additional Rebate shall be payable effective as of the date the Price Increase Limitation Rate was exceeded and shall remain in effect for the remainder of the Contract Year, unless subsequently increased pursuant to this Section. For avoidance of doubt, if WAC is subsequently increased, the Additional Rebate will be in addition to any previous Additional Rebate, and cumulative with any carry over Additional Rebate from a previous Contract Year.

The following example is for illustrative purposes only, and assumes a Price Increase Limitation Rate of 5%:

Baseline WAC: \$100
Base Rebate Percentage: 30%
NEP: \$70 = (\$100 - 30% Base Rebate) Price Increase Limitation Rate: 5%
Price Increase Limitation Price: \$105 = (\$100 plus 5%)
Maximum NEP: \$73.50 = (\$105 - 30% Base Rebate)

If WAC increased by 8%:

New WAC: \$108
Base Rebate: \$32.40 = (\$108 * 30%)
New NEP: \$75.60 = (\$108 WAC - \$32.40 Base Rebate)
Additional Rebate: \$2.10 (\$75.60 NEP - \$73.50 Maximum NEP)
Total Rebate: \$34.50 (\$32.40 Base Rebate + \$2.10 Additional Rebate)

I. Calculation of Rebates.

Base Percentage Rebates shall be calculated on a Part D Plan by Part D Plan basis as follows:

Number of Units of the Product dispensed to Members multiplied by WAC in effect as of the fifteenth (15th) day of the applicable month multiplied by the applicable Rebate Percentage.

J. Administrative Fees. Administrative Fees shall be calculated on a Part D Plan by Part D Plan basis as follows:

Number of Units of Rebate-eligible Product dispensed to Members multiplied by WAC in effect as of the fifteenth (15th) day of the applicable month, multiplied by the Administrative Fee Percentage set forth in the table below.

Administrative Fee Percentage
3.00%

K. Manufacturer Payment Terms.

(1) Payment. Manufacturer will make payments of Rebates and Administrative Fees to PBM within thirty (30) days of Manufacturer's receipt of the Utilization Reports for such month. Notwithstanding the foregoing, sequential payment due dates shall be at least thirty (30) days apart; meaning that if PBM submits more than one (1) invoice and Data Report within a thirty (30) day period, the parties shall work to resolve the payment due date for the additional invoice and no late penalty shall be assessed. If Manufacturer fails to pay any portion of an amount due and the corresponding funds are not deposited in the PBM bank account on or before the payment ("Manufacturer Payment") due date, Manufacturer shall accrue a late fee penalty on such overdue amount at the lesser of the maximum amount allowed by law or twelve percent (12%) per annum ("Late Payment Fee"), compounded monthly.

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(2) Method of Payment. All payments made by Manufacturer shall be made electronically, via wire transfer, to the bank account designated by PBM. In the event payment is not made electronically (e.g., payment is made by check), each payment due date set forth in this Section shall be automatically accelerated by seven (7) days.

(3) Manufacturer Documentation. Manufacturer shall deliver to PBM, electronically and within thirty (30) days of receipt of the Utilization Reports, the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively, a reconciliation report in either of the formats set forth in Exhibit B to the Agreement or in a mutually agreed upon format.

M. Additional Defined Terms. For purposes of this Exhibit A, the following definitions shall apply:

"1 of 1 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan and month by month basis, the Product is listed on the Plan Formulary with a Preferred Brand Tier designation and no Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 2 Manufacturer Status" means, as determined on a Product by Product, Plan by Plan and month by month basis, that the Product and the Competitive Products of only one other manufacturer are listed on the Plan Formulary with a Preferred Brand Tier designation.

"1 of 3 Manufacturer Status" means, as determined on a Product by Product, Part D Plan by Part D Plan and month by month basis, that the Product and only two Competitive Products are listed on the Plan Formulary with a Preferred Brand Tier designation.

"Biosimilar" means an FDA-approved biological Product which received approval via the 505(b)(2) New Drug Application pathway or Section 351(k) of the PHS Act (42 U.S.C. 262(k)). PBM shall treat any Biosimilar as a branded Product.

"Baseline Net Price" means the Net Price in effect as of June 1st of the prior Contract year, unless agreed upon elsewhere in this Agreement.

"Competitive Product" means, with respect to a Product, each single source, prescription product in the Product's Competitive Category that is not manufactured, distributed or rebated by Manufacturer.

"Competitive Categories" means, with respect to each Product, the following products (and associated manufacturers):

With respect to Novolin®, the following products (and associated manufacturers): Humulin RU500 (Eli Lilly), Humulin N (Eli Lilly), Humulin R (Eli Lilly), Humulin 70/30 (Eli Lilly), Novolin® (Novo Nordisk), Novolin® 70/30 (Novo Nordisk), Novolin® 70/30 FlexPen® (Novo Nordisk), Novolin® N (Novo Nordisk), and Novolin® R (Novo Nordisk).

With respect to Novolog®, the following products (and associated manufacturers): Humalog (Eli Lilly), Novolog® (Novo Nordisk), and Apidra (Sanofi), and Fiasp® (Novo Nordisk).

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With respect to Novolog® Mix70/30, the following products (and associated manufacturers): Humalog 50/50 (Eli Lilly), Humalog 75/25 (Eli Lilly), Novolog® Mix 70/30 (Novo Nordisk), and NovoLog® Mix 70/30 (Novo Nordisk).

With regards to Fiasp®, the following products (and associated manufacturers): Humalog (Eli Lilly), Novolog® (Novo Nordisk), Apidra (Sanofi), and Fiasp® (Novo Nordisk).



With respect to NovoFine® AutoCover®, the following products (and associated manufacturers): BD AutoShield (Becton Dickinson), BD AutoShield Duo (Becton Dickinson), and NovoFine® Autocover® (Novo Nordisk).

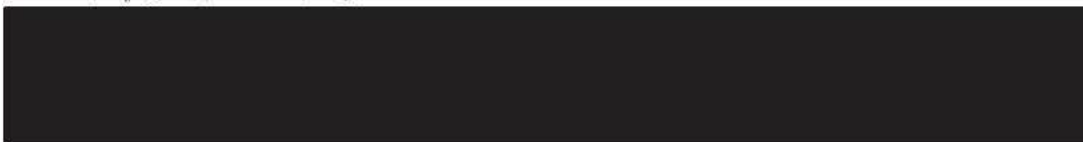
With respect to Levemir®, the following products (and associated manufacturers): Lantus and Toujeo (Sanofi), Basaglar (Eli Lilly), Levemir® (Novo Nordisk) and Tresiba® (Novo Nordisk).



With respect to Tresiba®, the following products (and associated manufacturers): Lantus and Toujeo (Sanofi), Basaglar (Eli Lilly), Levemir® (Novo Nordisk) and Tresiba® (Novo Nordisk).



With respect to Xultophy® the following product (and associated manufacturer): Soliqua (Sanofi) and Xultophy® (Novo Nordisk).



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[REDACTED]

In the event the FDA approves additional prescription pharmaceuticals or biological within the Competitive Category of the Products during the Term of this Agreement, such newly approved pharmaceuticals or biological shall be added within the appropriate Competitive Category upon written notice by Manufacturer to PBM, subject to PBM's written approval, which shall not be unreasonably withheld. The newly approved product may be added to the Competitive Category for data reporting only upon notice to PBM by Manufacturer.

"Disadvantaging" means intervention activities focused on specific prescriptions for a Product where such activities are reasonably intended to discourage the utilization of the Product in favor of a Competitive Product; provided, however, that "Disadvantaging" shall not include actions taken for reasons of clinical appropriateness, Member safety, genetic testing or validation, or generic substitution or intervention.

"Listed Formulary Status" means, as determined on a Product by Product, Part D Plan by Part D Plan and month by month basis, that the Product is listed on the Plan Formulary.

"Fixed Price with Annual Inflation Cap" means, as determined separately for each Product and NDC annually, the Net Price set forth in Exhibit A. In the event the Net Price of a Product is increased such that it exceeds the Fixed Price with Annual Inflation Cap, the Rebate percentage applicable to the Product for which the Net Price has increased will be increased such that the Net Price will remain equal to the Fixed Price with Annual Inflation Cap.

"Net Price" means, as determined separately for each applicable Product and each applicable Formulary Status, an amount equal to (i) WAC minus (ii) WAC multiplied by the applicable Rebate percentage (inclusive of Administrative Fee percentage). For purposes of clarification, WAC used for "Net Price" equals WAC used for calculation of Rebates (i.e. WAC as of the 15th day of the applicable month).

"Non-Preferred Brand Tier" means the adjudication tier with the highest Member cost share (such as co-pay amount or co-insurance percentage) for branded, single source prescription products in the Product's Competitive Category. "Preferred Brand Tier" means the adjudication tier with the lowest Member cost share (such as co-pay amount or co-insurance percentage) for branded, single source prescription products in the Product's Competitive Category. Note that if a Part D Plan adjudicates all of the Competitive Category's branded, single source prescription products at a higher cost share level (such as third tier or a specialty tier), such higher cost-share level shall be deemed the Preferred Brand Tier for the relevant Product.

"Specialty Product" means a pharmaceutical, biotech or biological drug that is used in the management of chronic or genetic disease, including but not limited to, injectable, infused, or oral medications, or products that otherwise require special handling and is defined by CMS as a specialty product.

"Specialty Tier" means the adjudication tier for branded, single source prescription Specialty Products and other very high cost products.

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NOVO NORDISK INC.
PCOR

**MEDICARE PART D PROGRAM
REBATE AGREEMENT**

NVNS13MRERMediC 16

THIS REBATE AGREEMENT (this "Agreement") is made and entered into as of the 1st day of January, 2013 ("Effective Date"), by and between CVS Caremark Part D Services, L.L.C., a Delaware limited liability company ("PBM"), and Novo Nordisk Inc., a Delaware corporation ("Manufacturer").

1. Definitions. In addition to terms defined elsewhere herein, the following terms shall have the meanings set forth below:

"Administrative Fees" means the administrative fees set forth on Exhibit A attached hereto.

"Affiliate" means, with respect to a party, any corporation, partnership or other legal entity directly or indirectly owned or controlled by, or which owns or controls, or which is under common ownership or control with, such party.

"Affiliated EGWP Plan" means an Affiliated Plan that is an EGWP Plan.

"Baseline Net Price" means Net Price in effect as of the last day of the prior Contract Year.

"Baseline WAC" means WAC in effect as of the last day of the prior Contract Year.

"CMS" means the Centers for Medicare and Medicaid Services.

"Competitive Products" means, with respect to each Product, all single source, branded, prescription products in the same Therapeutic Class as such Product that are manufactured by an entity other than Manufacturer.

"Contract Year" means the twelve-month period commencing on January 1, 2013 and each subsequent twelve-month period.

"Disadvantage" means intervention activities focused on a Product where such activities are reasonably intended to discourage the utilization of the Product in favor of a Competitive Product, including, without limitation, step edits and prior authorization; provided, however, that "Disadvantage" shall not include Permitted Activities.

"EGWP Plan" means a Part D Plan that is operating under a waiver granted pursuant to 42 C.F.R. § 423.458(c).

"Exclusion" means that a product is subject to NDC block, step edit or prior authorization requiring demonstrated failure of the Product, or is otherwise not covered by the Part D Plan, subject to medical necessity exceptions and such exceptions as may be required to comply with applicable law, including, without limitation, the MMA.

"Medicare Coverage Gap" means the gap phase in prescription drug coverage that occurs between the initial coverage limit (as defined in Section 1860D-2(b)(3) of the Social Security Act) and the out-of-pocket threshold (as defined in Section 1860D-2(b)(4)(B) of the Social Security Act).

"Medicare Coverage Gap Discount Program" means the Medicare Coverage Gap Discount Program created pursuant to Section 3301 of the Patient Protection and Affordable Care Act (H.R. 3590), as amended by Section 1101 of the Health Care and Education Reconciliation Act of 2010 (H.R. 4872) and codified in Sections 1860D-43 and 1860D-14A of the Social Security Act.

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"Member" means a person who is enrolled in a Part D Plan.

"MMA" means the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and the regulations promulgated thereunder.

"Net Price" means, as determined separately for each applicable Product and each applicable Formulary Status, an amount equal to (i) WAC minus (ii) WAC multiplied by the applicable Rebate percentage. For purposes of clarification, WAC used for "Net Price" equals WAC used for calculation of Rebates (i.e. WAC as of the 15th day of the applicable month.)

"Non-Affiliated EGWP Plan" means a Non-Affiliated Plan that is an EGWP Plan.

"Non Affiliated Plan" means any Part D Plan that is not an Affiliated Plan.

"Part D Plan" means each Part D Plan Sponsor prescription drug plan(s) approved by CMS under the Program and for which PBM provides Rebate Contracting Services.

"Part D Plan Sponsor" means a sponsor that has received CMS approval of its prescription drug plan under the Program and for which PBM provides Rebate Contracting Services.

"Participating Pharmacy" means a Network Pharmacy or an Out-of-Network Pharmacy as such terms are defined in the Part D Regulations; provided that Participating Pharmacy shall not include a Network Pharmacy or an Out-of-Network Pharmacy located outside the United States, Puerto Rico, and U.S. Territories, unless approved in writing by Manufacturer, and shall not include non-retail hospital pharmacy that receives purchase discounts on the Products from Manufacturer or any pharmacy owned or operated by a "covered entity" (as defined at 42 U.S.C. §256b(a)(4)), which dispenses drugs under the program established pursuant to Section 340B of the Public Health Service Act or any pharmacy which dispenses drugs pursuant to the Federal Supply Schedule. Manufacturer will provide notice to PBM in accordance with Section 2(d) when Manufacturer identifies such pharmacies that (i) are owned or operated by a "covered entity" (as defined at 42 U.S.C. §256b(a)(4)), which dispenses Product(s) under the program established pursuant to Section 340B of the Public Health Service Act or (ii) dispense Product(s) pursuant to the Federal Supply Schedule.

"Permitted Activities" means actions taken for reasons of clinical appropriateness, or Participant safety, or AB-rated generic substitution/intervention.

"Plan Formulary" means the formulary adopted by the Part D Plan Sponsor pursuant to the MMA, as most recently submitted to CMS.

"Program" means the voluntary Medicare Part D Prescription Drug Benefit Program created by the MMA.

"Products" means the pharmaceutical products listed on Exhibit A attached hereto.

"Rebate Contracting Services" means the negotiation with prescription drug manufacturers and others for discounts and rebates on prescription drugs.

"Rebates" means the rebates set forth on Exhibit A.

"Second Tier" shall mean the co-pay status under which the Product is at the lowest co-pay level for branded, single source prescription products in the relevant Therapeutic Class. Such co-pay level shall not be greater than the lowest co-pay level for branded, single source prescription products for the majority of all other therapeutic classes.

"Specialty Product" means a pharmaceutical, biotech or biological drug that is used in the treatment of chronic, long-term or genetic disease, including injectable, infused, or oral medications, and that may have mixing and compounding complexities and/or special storage or delivery requirements (e.g. refrigeration).

"Specialty Tier" means the co-pay status under which the Product is adjudicated at the co-pay level for branded, single source prescription Specialty Products.

"Therapeutic Class" means the therapeutic class for each Product as set forth in Exhibit C. In the event the FDA approves additional prescription pharmaceuticals or biologicals within the therapeutic classes of the Products during the Term of this Agreement, such newly approved pharmaceuticals shall be considered to be Competitive Products and added within the appropriate Therapeutic Class listed in Exhibit C upon written notice by Manufacturer to PBM, subject to PBM's written approval, which shall not be unreasonably withheld. If PBM does not respond within fifteen (15) days of notice to reasonable communication efforts, the Competitive Product will be deemed to be included in the Therapeutic Class.

"Unit" means a single unit (whether a milligram, pill, milliliter, or other measurement), provided that single use items shall be measured per use (i.e. one use equals one unit).

"Wholesale Acquisition Cost" or "WAC" means the wholesale acquisition cost for a Product as determined by Manufacturer and published by First Data Bank and/or Medispan, as selected by PBM. The parties acknowledge that WAC does not reflect wholesaler fees, charges or mark-ups or any chargebacks, rebates or discounts that Manufacturer may provide to wholesalers or any other person or entity.

2. **Rebates.**

(a) **Rebates & Administrative Fees.** Manufacturer shall pay to PBM the Rebates and Administrative Fees for each Product dispensed to Members by Participating Pharmacies as set forth in and in accordance with Exhibit A.

(b) **PBM Data Reporting.**

(i) **Reporting.** Within forty-five (45) days after the end of each calendar month for the 2013 contract year and thirty (30) days for the 2014 contract year, PBM shall deliver to Manufacturer an invoice setting forth the calculation of the amounts payable by Manufacturer to PBM for such month and, to the extent not previously submitted, the eight (8) preceding months. The invoice shall be accompanied by a product utilization report (a total across all Plans for each Product identified by brand and by NDC number), which shall be transmitted by electronic data utilizing the National Council for Prescription Drug Programs ("NCPDP") manufacturer rebate utilization flat file standard, PBM's standard reporting format, or as otherwise mutually agreed upon by Manufacturer and PBM, for such month and, to the extent not previously submitted, the eight (8) preceding months ("Data Reports")

(ii) **Utilization by Product.** A total across all Plans for each Product (identified by brand and by 11-digit NDC number).

(iii) **Utilization by Market.** Utilization for a given Product and its Therapeutic Class (as set forth in Exhibit C) summarized as follows:

- i. Listing of pharmaceutical products in the Therapeutic Class.
- ii. Listing of Manufacturer's Products in the Therapeutic Class
- iii. For each of Manufacturer's Products individually and for all other pharmaceuticals listed in the Therapeutic Class in the aggregate, the number of prescriptions, the number of Units dispensed and the share of the Therapeutic Class represented.

This information is available in electronic data and can be queried by Manufacturer. The summary level invoice is also available in hard copy. The information provided above, plus claim level detail with Plan names or identification number, shall be provided.

PBM shall use reasonable efforts to notify Manufacturer within thirty (30) days of a Product's change in status on its Plan Formulary; provided that failure to give such notice shall not constitute a breach of this Agreement.

(iv) **Notice of Deficiencies & Objections.** Manufacturer must notify PBM in writing within fifteen (15) business days following Manufacturer's receipt of the Data Reports if Manufacturer believes the data submitted in the Data Reports is either missing material components of the required data elements for all or any of the Product utilization reported or is not capable of being processed by Manufacturer due to the data files, when delivered, being corrupt, damaged, or otherwise not readable.

(v) **Calculations.** Any claims submitted from any of the eight months preceding the current month shall be aggregated with the current month's claims for the purpose of calculating Rebates and Administrative Fees. Calculations for Rebates and Administrative Fees will be performed with six decimal places of precision and summarized to two decimal places of precision for submission. Calculations shall be based upon the bill date of the claim(s), not the fill date.

(vi) **State to Plan Reconciliations.** Notwithstanding anything in this Agreement to the contrary, PBM may furnish Data Reports to Manufacturer for state claims within three hundred sixty-five (365) days after the claim period.

(c) **Manufacturer Payment.**

(i) **Monthly Payment.** For the 2013 contract year, Manufacturer shall pay to PBM the Rebates and Administrative Fees calculated within fifty-three (53) days of the date of Manufacturer's receipt of the Data Reports submitted in accordance with Section 2(b)(i). For the 2014 contract year, Manufacturer shall pay to PBM the Rebates and Administrative Fees calculated within thirty (30) days. Notwithstanding the foregoing, sequential payment due dates shall be at least thirty (30) days apart; meaning that if PBM submits more than one (1) invoice and Data Report within a thirty (30) day period, the payment due date for the additional invoice shall be thirty days from the payment date of the earlier month's invoice.

(ii) **Method of Payment.** All payments made by Manufacturer shall be made electronically, via wire transfer, to the bank account designated by PBM.

(iii) **Manufacturer Documentation** Manufacturer shall deliver to PBM, electronically and within the same timeframe as the Rebate and Administrative Fee payment, the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively, a reconciliation report in the format set forth in

Exhibit E attached hereto or another mutually agreed upon format in the same level that PBM is measured on such data. For the 2014 contract year, the forty-five (45) days will be reduced to thirty (30) days.

(d) Payment Disputes. If Manufacturer in good faith believes that some portion of the amount invoiced was in error, Manufacturer will pay all undisputed amounts when due (as determined in accordance with Section 2(c)) and will notify PBM in writing of its dispute on or before the payment due date for the disputed amount (as determined in accordance with Section 2(c)) specifying in reasonable detail, as defined herein, the nature of the dispute and the portion of the invoiced amount disputed. Reasonable detail shall mean the NCPDP manufacturer rebate reconciliation flat file standard or as otherwise mutually agreed upon by Manufacturer and PBM, and sufficient detail to enable PBM to attribute the undisputed funds to the appropriate Part D Plans. PBM will respond to any notice of dispute within sixty (60) days, and within thirty (30) days of the parties' resolution of such dispute, Manufacturer will pay to PBM the agreed-upon amounts that were previously withheld. Resolution of any dispute that exceeds this timeframe will be addressed in accordance with Section 7(h).

(e) Late Charges. If any undisputed amount due is not paid on or before the due date, PBM may accrue interest on such overdue amount at the lesser of the maximum amount allowed by law or twelve percent (12%) per annum, compounded monthly, from the date such payment was due until the date paid. Notwithstanding the foregoing, PBM and Manufacturer shall work together in good faith to discuss waiver of such late fees due to extraordinary circumstances around late payment.

(f) Part D Plan Sponsors. Included with the first invoice, PBM shall provide to Manufacturer a listing of Part D Plan Sponsors, which list shall include numbers of Members per Part D Plan Sponsor, and PBM shall provide an updated listing on a quarterly or monthly basis thereafter, as selected by PBM. PBM shall use commercially reasonable efforts to disclose to Manufacturer any new Part D Plan Sponsors with greater than 200,000 Members within thirty (30) days of such Part D Plan Sponsor's effective date of enrollment with PBM. On an annual basis, PBM shall provide Manufacturer with all Plan Formularies and a comprehensive Plan list with links to each website where Formulary documents can be retrieved electronically.

(g) Non-Solicitation. Manufacturer shall not knowingly, without PBM's prior written consent, enter into an agreement, directly or indirectly, with any Part D Plan Sponsor or Part D Plan pursuant to which Manufacturer would pay rebates, extend discounts, or make other pricing concessions on outpatient prescription drugs under the Program.

(h) Administrative Services. In consideration of the Administrative Fees, PBM will: (i) negotiate and contract with Part D Plan Sponsors for participation in the Rebates provided under this Agreement; (ii) notify Part D Plan Sponsors of the applicable requirements for receiving Rebates on Products in accordance with PBM's standard business practices; (iii) monitor Part D Plan Sponsor compliance with the Rebate eligibility requirements; (iv) calculate the amounts of Rebates applicable to Products for each Part D Plan Sponsor and invoice Manufacturer for such Rebates; (v) prepare detailed reports on Product utilization and Rebate calculations as described herein; (vi) allocate and distribute Rebates to Part D Plan Sponsors under the terms of PBM's agreements with Part D Plan Sponsors and provide supporting reports to the Part D Plan Sponsors; (vii) utilize internal control measures to protect against payment of unearned Rebates; and (viii) provide such other services related to the administration of the Rebate program as agreed upon by the parties from time to time. Administrative Fees are separate and apart from the Rebates paid to Part D Plans.

(i) Medicare Coverage Gap. Notwithstanding any provision to the contrary in this Agreement, Rebates and Administrative Fees shall be payable on Product dispensed to Members by Participating Pharmacies during the Medicare Coverage Gap, without offset of any nature and regardless of any payment obligation of Manufacturer on such utilization under the Medicare Coverage Gap Discount Program.

3. Confidential Information.

(a) General. PBM and Manufacturer each shall maintain the confidentiality of any confidential and/or proprietary information of the other party, including, but not limited to, any confidential pricing, marketing or product information; Part D Plan lists and information; information on invoices and reports provided by PBM to Manufacturer ("Claims Data"); the terms of this Agreement; the existence of a dispute and any information generated pursuant to same, such as the information referenced in paragraph 10 in Exhibit B attached hereto; and any other non-public information or documents provided by one party to the other hereunder (collectively, "Confidential Information"). Such Confidential Information shall not be disclosed to the receiving party's employees or representatives or to any third party, or used by or for the benefit of such party or any third party, directly or indirectly, except as may be necessary to carry out or enforce this Agreement. Neither PBM nor Manufacturer shall use the name of the other party, including any tradename or trademark, in any advertising or promotional materials or in any communication without prior written consent of such other party; provided, however, that PBM may reference Manufacturer and the Products in product informational communications. The foregoing notwithstanding, the restrictions of this Section shall not apply to information: (i) which is required to be disclosed by law, including without limitation, MMA, or for purposes of resolving a dispute consistent with the dispute resolution process set forth herein, (ii) which the receiving party can show was known to it prior to the disclosure by the disclosing party, (iii) which is or becomes public knowledge through no fault of the receiving party, (iv) which is lawfully disclosed to the receiving party by a third party; or (v) which a Part D Plan Sponsor, or its agent or representative, reviews in connection with an audit of its agreement with PBM and disclosure of the terms and conditions of this Agreement is reasonably necessary in such context; provided, the receiving party has agreed in writing to hold such documents in confidence prior to receipt of any such Confidential Information. The foregoing notwithstanding, PBM shall have the right to disclose the terms of this Agreement to a Part D Plan Sponsor, or its agent or representative, in connection with the Part D Plan Sponsor's review of a Product's status on a Plan Formulary; provided, the receiving party has agreed in writing to hold such documents in confidence prior to receipt of any such Confidential Information. If a party believes in good faith that it must disclose any Confidential Information to comply with law, then, subject to the next sentence, such party shall notify the other party of such requirement prior to making any disclosure so that the other party may seek a protective order or other appropriate remedy to maintain the confidentiality of such information or limit or condition any disclosure thereof. Notwithstanding the foregoing PBM and a Part D Plan Sponsor may report to CMS Confidential Information with respect to the Rebates claimed, paid or payable hereunder that it is required to disclose pursuant to the MMA Regulations without first notifying Manufacturer provided that the disclosing entity takes all actions available to it to preserve the confidentiality of such Confidential Information to the greatest extent possible in accordance with law, including, without limitation, by expressly designating such information as confidential commercial information which is exempt from disclosure under the Freedom of Information Act

(b) Return of Information upon Termination. Immediately upon the expiration or termination of this Agreement, PBM and Manufacturer shall cease use of and, upon request, deliver to the other party all Confidential Information of the other party that such party may have in its possession or control; provided that one copy may be kept for archival purposes (subject to the confidentiality requirements of this Agreement).

(c) Use of Third Party for Rebate Validation Services. In the event Manufacturer desires to engage a third party to provide rebate validation, claim processing or other services relating to this Agreement, such

third party must be mutually acceptable to the parties and enter into a confidentiality agreement with PBM prior to the disclosure by Manufacturer to such third party of any Claims Data or other Confidential Information.

4. **Audit Rights.** PBM will make available for audit relevant records of PBM relating to the performance of this Agreement for the purpose of confirming the accuracy of invoices issued by PBM hereunder. The foregoing notwithstanding, PBM shall not be required to disclose any Member identifiable information or any information that PBM is barred from disclosing by an obligation of confidentiality to a third party. Manufacturer shall be limited to a single audit of records during each twelve-month period pertaining to no more than four quarters. Such audit may be conducted during the term hereof or the twelve-month period thereafter during normal business hours and upon at least thirty (30) days prior written notice (which notice shall specify the purpose and scope of the audit and the time period to be audited). Audits will not be performed by Manufacturer's personnel, but by a third party auditor designated by Manufacturer and approved by PBM ("Third Party Auditor"). The Third Party Auditor must sign a confidentiality agreement with PBM before performing an audit. Manufacturer will be responsible for all costs incurred in the performance of any audit. Manufacturer will provide to PBM an abbreviated copy of any audit report generated pursuant to this Section, provided that if Manufacturer seeks a repayment from PBM as a result of such audit, a complete copy of the audit report shall be provided to PBM, provided that no confidential or proprietary information of Manufacturer will be included in the audit report provided to PBM. In addition to the above requirements and limitations, any audit desired by Manufacturer shall be limited to PBM approved documents and shall be conducted as follows: (i) within fifteen (15) days of receipt of a Manufacturer audit notice, PBM shall deliver a confidentiality agreement to the Third Party Auditor and (ii) within sixty (60) days of PBM's receipt of the executed confidentiality agreement and full data request from the Third Party Auditor, PBM shall schedule the Third Party Auditor for an on-site review and audit of the relevant data at the PBM facility designated by PBM. If it is determined through an audit or otherwise that all or any part of any payment by Manufacturer to PBM was in excess of that required pursuant to this Agreement, PBM shall arrange for the appropriate refund to Manufacturer of such overpayment within sixty (60) days of such determination; provided, however, that no refund shall be given for any overpayment made by Manufacturer based on a rebate claim from PBM submitted more than twelve (12) months prior to the date PBM receives written notice from Manufacturer of such overpayment. At PBM's option, any overpayment may be credited against amounts subsequently due under this Agreement. If it is determined through an audit or otherwise that Manufacturer has failed to pay to PBM all amounts required pursuant to this Agreement, Manufacturer shall make payment of such amount to PBM within sixty (60) days of such determination; provided, however, that no payment shall be made for any underpayment based on a rebate claim from PBM submitted more than twelve (12) months prior to the date Manufacturer receives written notice from PBM of such underpayment.

5. **Term and Termination.**

(a) **Term.** The initial term of this Agreement shall commence on the Effective Date and continue thereafter until December 31, 2014, subject to earlier termination as provided herein.

(b) **Termination With Cause.** Either party may terminate this Agreement upon written notice to the other party: (i) if the other party breaches any term of this Agreement and such breach is not cured within thirty (30) days of written notice thereof; or (ii) if the other party files a petition in bankruptcy, is adjudicated bankrupt, makes a general assignment for the benefit of its creditors, or is voluntarily or involuntarily dissolved.

(c) **Supervening Illegality.**

(i) This Agreement shall terminate if both: (A) as a result of the enactment of any new applicable federal or state law or regulation, or any change in any existing applicable federal or state law or regulation or any new interpretation of any applicable federal or state law or regulation by any court or regulatory agency, the performance by a party of any material obligation under this Agreement would be

rendered illegal or any material provision of this Agreement would be rendered invalid or unenforceable, and (B) the parties are unable to negotiate a mutually acceptable amendment to this Agreement pursuant to Section 5(c)(iii) below. If any immaterial provision of this Agreement is held to be illegal, invalid or unenforceable for any reason, this Agreement shall be deemed amended to delete such provision, such amendment to apply only with respect to the operation of this Agreement in the particular jurisdiction in which such provision is held to be illegal, invalid or unenforceable, and the remainder of this Agreement shall remain in full force and effect and enforceable in accordance with their terms.

(ii) The parties agree that the party affected by the new law or regulation or the change in law or regulation or the interpretation of a law or regulation shall use reasonable efforts to give the other party at least sixty (60) days prior written notice of the effective date of such new law, change, or interpretation.

(iii) The parties agree that, notwithstanding the foregoing provisions of this Section, either party may, within ten (10) business days of giving or receiving notice of the new law, change, or interpretation, notify the other party of its wish to renegotiate the applicable terms of this Agreement ("Renegotiation Notice"), in which event the parties shall negotiate in good faith, for a period of sixty (60) days from delivery of the Renegotiation Notice, an amendment to this Agreement that addresses the portion of this Agreement rendered illegal, invalid or unenforceable by the new law, change, or interpretation while preserving to the greatest extent possible the original intent of this Agreement. If the parties successfully conclude such negotiations prior to the effective date of the new law, change, or interpretation, this Agreement shall not terminate and shall be amended to reflect the negotiated terms. If the parties are unable to successfully conclude such negotiations prior to the effective date of the new law, change, or interpretation and such effective date is within the sixty (60) day negotiation period, negotiations shall continue but this Agreement shall be deemed amended to delete such portion rendered illegal, invalid or unenforceable, such amendment to apply only with respect to the operation of this Agreement in the particular jurisdiction in which such portion is held to be illegal, invalid or unenforceable, and the remainder shall remain in full force and effect and enforceable in accordance with its terms, subject to the subsequent sentence. In the event the parties are unable to successfully conclude such negotiations within the sixty (60) day negotiation period, this Agreement shall terminate at the end of the sixty (60) day negotiation period.

(d) Manufacturer Change in Control. In the event there is a "Manufacturer Change in Control" (as defined below), Manufacturer shall notify PBM in writing simultaneously with the public announcement of the transaction and PBM, upon written notice to Manufacturer, shall have the right to terminate this Agreement. For purposes of this Section, a "Manufacturer Change in Control" means: (i) an event whereby any person or entity shall become the "beneficial owner" (as defined in Rule 13d-3 under the Securities and Exchange Act of 1934), directly or indirectly, of fifty percent (50%) or more of the securities of Manufacturer; (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of fifty percent (50%) or more of the assets of Manufacturer or any of its Affiliates (other than sales in the ordinary course of business); or (iii) any merger or consolidation to which Manufacturer is a party except for a merger in which Manufacturer is the surviving entity.

(e) Survival. Termination or expiration of this Agreement for any reason shall not release either party from any liability which at the time of termination or expiration has already accrued to the other party or which thereafter may accrue with respect to any act or omission occurring prior to termination or expiration, including, without limitation, Manufacturer's obligation to pay Rebates and Administrative Fees in accordance with this Agreement for Product(s) dispensed prior to the date of termination or expiration. Without limiting the generality of the foregoing, Sections 2(1), 3, 4 (for a period of one year), 5(e), 6 and 7 shall survive any termination or expiration of this Agreement and, notwithstanding the removal of a Product from this Agreement, Section 6 shall continue to apply with respect to Product dispensed prior to such removal.

6. Warranties; Indemnification.

(a) PBM Warranties. PBM represents and warrants that: (i) it has or will disclose to each Part D Plan Sponsor that it receives rebates and administrative fees from pharmaceutical manufacturers; (ii) it has or will make all disclosures and submit all reports to Part D Plan Sponsors and to CMS regarding the Rebates and Administrative Fees claimed, paid or payable pursuant to this Agreement on utilization of the Part D Plans of such Part D Plan Sponsor to the extent such disclosures (A) are required by applicable law or by contractual commitments undertaken by PBM or (B) are necessary to permit Part D Plan Sponsors to comply with their reporting and disclosure obligations to CMS or other government authorities under applicable law (including applicable Program regulations and guidance); (iii) it will remit the Rebates paid hereunder to the applicable Part D Plan Sponsor whose Part D Plan Product utilization gave rise to such Rebates, except to the extent PBM has been authorized to retain such Rebates by such Part D Plan Sponsor; (iv) in the event PBM or any of its Affiliates is a Part D Plan Sponsor, such Part D Plan Sponsor will, to the extent required by applicable law or regulation, including MMA and the Federal anti-kickback statute, treat payments received under this Agreement as discounts (as such term is used at 42 U.S.C. § 1320a-7b(3)(A)) price concessions (as such term is used in the Program regulations), including appropriate reporting in accordance with applicable law, and disclosures to CMS and (v) it has a written agreement with each Part D Plan Sponsor of a Part D Plan which permits it to receive and retain the Administrative Fees provided for in this Agreement.

(b) Manufacturer Warranties. Manufacturer further represents and warrants that Manufacturer shall properly disclose and report the rebates payable hereunder to government programs and to other third parties to the extent such disclosures are required by applicable law, regulation or contractual commitment. Manufacturer acknowledges and agrees that: (i) Caremark has played no role in the determining or reporting of AWP, ASP, AMP or best price by Manufacturer, and (ii) Caremark has not engaged in any conduct that would impair Manufacturer's ability to accurately report "best price", ASP, or AMP to CMS.

(c) Product Warranties. Manufacturer represents and warrants that the Products: (i) are free from defect in design, material and workmanship; (ii) are in compliance with applicable law and all regulatory requirements of the Food and Drug Administration ("FDA"), including those related to the adulteration or misbranding of products within the meaning of Sections 501 and 502 of the Food Drug and Cosmetics Act ("FDCA"); (iii) are not articles which may not be introduced into interstate commerce pursuant to the requirements of Sections 505, 514, 515, 516 or 520 of the FDCA; (iv) have been manufactured in accordance with current FDA Good Manufacturing Practices as required by 21 C.F.R. §§ 210 and 820; (v) are not infringing upon the patents or trademarks of any third party; and (vi) have been approved by the FDA pursuant to Section 505 of the FDCA.

(d) Indemnification. PBM shall indemnify, defend and hold harmless Manufacturer and its Affiliates and their respective officers, directors, employees, agents and subcontractors (collectively, "Manufacturer Indemnitees") from any and all claims, demands, actions, causes of action, losses, liabilities, judgments, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and costs of settlement) (collectively, "Losses") that the Manufacturer Indemnitees, or any of them, may suffer as a result of the negligence or willful misconduct of PBM. Manufacturer shall indemnify, defend, and hold harmless PBM and its Affiliates and their respective officers, directors, employees, agents and subcontractors (collectively, "PBM Indemnitees") from any and all Losses that the PBM Indemnitees, or any of them, may suffer that arise from or relate to : (i) the death of, or bodily injury to, any person on account of the use of any Manufacturer product; (ii) any recall, quarantine, warning or withdrawal of any Manufacturer product; (iii) any breach by Manufacturer of any of its representations, warranties, covenants or agreements contained in this Agreement; (iv) any claim that a Manufacturer product infringes on the patent or trademark of any third party; or (v) the negligence or willful misconduct of Manufacturer.

(e) Product Recall. In the event of a recall, warning, withdrawal or quarantine of a Product, Manufacturer shall give PBM prompt notice thereof and shall reimburse PBM and/or any Part D Plan, within

thirty (30) days of receipt of PBM's invoice, for all actual, reasonable, direct costs incurred as a result of such event.

(f) Insurance. Manufacturer shall maintain in effect during the term of this Agreement a comprehensive general liability policy, including products liability coverage covering all Products, and Manufacturer shall promptly after the execution of this Agreement designate PBM as an additional insured on such policy, and such insurance will be primary insurance with respect to PBM, but only with regard to Manufacturer's Products and performance under this Agreement. The policy shall be underwritten by an insurance company that carries an A- or better rating from A.M. Best. This comprehensive insurance policy shall be in an amount not less than Five Million Dollars (\$5,000,000) per occurrence. Manufacturer shall also maintain in effect Errors and Omissions coverage of at least Two Million Dollars (\$2,000,000), such insurance providing coverage for rebating activity. The Manufacturer shall provide thirty (30) days notice to PBM in the event of any modifications, cancellation, or termination thereof. Manufacturer shall provide PBM with a certificate of insurance naming PBM as additional insured evidencing compliance with this Section within thirty (30) days of execution of this Agreement and thereafter upon request. Manufacturer shall have the right to satisfy the requirements under this Section through any combination of actual insurance and/or self-insurance. The amount of such required insurance coverage under this Section shall not limit Manufacturer's obligations under this Agreement.

7. General Provisions.

(a) Formulary Structure. Except as may otherwise be explicitly provided in this Agreement to the contrary, nothing in this Agreement shall be deemed or construed to in any way limit the ability of PBM to intervene against, or otherwise conduct formulary activities with respect to, any product of Manufacturer; provided, however, that to the extent such actions violate the conditions for Rebates on any Product set forth herein (including conditions in Exhibit A), Rebates and Administrative Fees shall not be payable on Product utilization of the applicable Part D Plan. Nothing in this Agreement shall be construed to require PBM to take any action in contravention of, or refrain from taking any action required by, the plan design or its agreement with a particular Part D Sponsor. To the best of PBM's knowledge, there is nothing in this Agreement which conflicts with the terms of agreement between PBM and Part D Sponsors. Subject to the foregoing, nothing in this Agreement shall be construed to limit the ability of PBM, including PBM's P&T Committee, to remove or add products from or to any drug list or formulary or to limit the ability of any Part D Plan to remove or add products from or to its Plan Formulary, even though such products may compete directly with one or more Products. Within 60 days following FDA approval of insulin degludec, PBM will use commercially reasonable efforts to (i) negotiate in good faith with Manufacturer unrestricted Formulary placement of the product in the lowest brand co-pay tier based on a good faith offer from manufacturer and (ii) PBM will evaluate the product through its Financial Review Committee. In addition, PBM shall use commercially reasonable efforts to ensure that insulin degludec is evaluated at its next regularly scheduled Pharmacy & Therapeutics Committee meeting immediately following FDA approval of the product.

(b) Entire Agreement; Amendment; Waiver. This Agreement and the Exhibits attached hereto set forth the entire agreement of the parties hereto with respect to the subject matter hereof, and supersede all prior oral and written negotiations, representations, agreements and understandings of the parties with respect thereto. Except as expressly provided herein, this Agreement may not be amended except by a written instrument signed by the parties hereto. No waiver or discharge of any breach of this Agreement shall be effective unless it is in writing signed by both parties hereto. Any waiver of any breach of any provision of this Agreement shall not be a waiver of any subsequent breach of the same or of any other provision of this Agreement. This Agreement shall be construed without regard to the party that drafted it. Any claimed ambiguity shall not be interpreted against either party, but shall, instead, be resolved in accordance with other applicable rules governing the interpretation of contracts.

(c) Notices. Any notice given under this Agreement shall be deemed received if in writing and if sent by hand delivery, facsimile transmission, receipt confirmed, overnight courier which provides confirmation of delivery, or certified mail, return receipt requested, sent to the applicable party at the following addresses:

If to PBM:
CVS Caremark

2211 Sanders Road
Northbrook, IL 60062
Fax: (847) 559-3836

Attn: Vice President, Trade Relations

If to Manufacturer:
Novo Nordisk Inc.
100 College Road West
Princeton, NJ 08540

Fax: 609-580-2167

Attn: Director, Contract Management &
Compliance

with a copy to:
CVS Caremark
9501 E. Shea Blvd.
Scottsdale, AZ 85260
Fax No.: (480) 314-8231

Attn: Vice President, Manufacturer
Contracting, Law Department

with a copy to:
Novo Nordisk Inc.
100 College Road West
Princeton, NJ 08540
Fax: 609-919-7741
Attention: General Counsel

or to such other address or to the attention of such other person as a party may designate in writing given pursuant to this Section. Notices sent by certified mail shall be deemed received three (3) business days following mailing.

(d) Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the internal laws of the State of Delaware. No provision of this Agreement shall be applied or construed in a manner inconsistent with applicable state and federal laws and regulations.

(e) Assignment. None of the parties hereto may assign this Agreement without the prior written consent of the other party, provided, however, that PBM may assign this Agreement, upon notice to Manufacturer, to any of its Affiliates or as part of the sale or transfer of the assets to which this Agreement pertains.

(f) Headings. The section headings contained herein are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

(g) Independent Contractors. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating a relationship of employer and employee, principal and agent, or joint venture of the parties hereto; it being understood and agreed that no provision contained herein nor any acts of the parties hereto shall be deemed to place PBM in any relationship with Manufacturer other than as an independent contractor.

(h) Dispute Resolution. In the event of a dispute between the parties, PBM or Manufacturer may, by giving written notice to the other party ("Dispute Notice"), request a meeting of authorized representatives of the parties for the purpose of resolving the dispute. The parties agree that, within ten (10) days after issuance of the Dispute Notice, each party shall designate a representative to participate in dispute resolution discussions

which will be held at a mutually acceptable time and place (or by telephone) for the purpose of resolving the dispute. Each party agrees to negotiate in good faith to resolve the dispute in a mutually acceptable manner. If despite the good faith efforts of the parties, the authorized representatives of the parties are unable to resolve the dispute within thirty (30) days after the issuance of the Dispute Notice, or if the parties fail to meet within such thirty (30) day period, either party may, by written notice to the other party, submit the dispute to binding arbitration in accordance with the Alternative Dispute Resolution Procedures attached hereto as Exhibit B, the result of which shall be binding upon the parties. The foregoing shall not affect the right of either party to at any time seek appropriate equitable relief to enforce Sections 2(g) or 3. Notwithstanding any provision in this Agreement to the contrary, in no event, as a result of any such arbitration or otherwise, shall: (i) a party be liable under this Agreement for the payment of any consequential, punitive, incidental or special damages or lost profits except to the extent such damages (A) constitute Losses that are covered by such party's indemnification obligations set forth in Section 6(d) and (B) are incurred by or are awarded to a third party (an Affiliate of a party shall not be considered a third party for purposes of this subsection (B)); (ii) PBM be assessed damages under this Agreement in excess of the Rebates and Administrative Fees, if any, received by PBM from Manufacturer under this Agreement.

(i) Counterparts. This Agreement may be executed in counterparts which taken together shall constitute one agreement. This Agreement must be manually signed and may be delivered by facsimile or e-mail (in PDF format) and upon such delivery the facsimile or PDF signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

(j) Product Discontinuations. Nothing in this Agreement shall be construed to limit or restrict Manufacturer's right, in its sole discretion, to discontinue the manufacture, sale or distribution of any Product at any time during the term of this Agreement. Manufacturer may remove any Product from Exhibit A at any time by giving PBM not less than thirty (30) days' written notice of such removal in the following circumstances; upon such removal becoming effective, such Product shall no longer constitute a Product under this Agreement and Rebates shall no longer be payable on utilization of such Product dispensed after such date: (a) the Product has been withdrawn from the market in the United States; or (b) the Product will no longer be distributed by Manufacturer in the United States, including, without limitation, due to Manufacturer's sale of its rights to distribute such Product to another entity.

IN WITNESS WHEREOF, the parties hereto have caused this Rebate Agreement to be executed by their duly authorized officers or representatives as of the Effective Date.

CVS CAREMARK PART D SERVICES, L.L.C.

NOVO NORDISK, INC.

By: 
Name: Daniel Best
Title: Vice President, Trade Relations

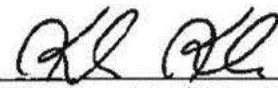
By: 
Name: Karsten Munk Knudsen
Title: Corporate Vice President, Finance & I.T.



Exhibit A
Products, Rebates & Administrative Fees
(Percentage Rebates)

The following Rebates and Administrative Fees shall be payable on Product dispensed to Participants by Participating Pharmacies:

Product Name	NDC#	Strength	Package Size	Rebate Based on Formulary Status				Administrative Fee
				EGWP	Listed	1 of 2	Exclusive	
Novolin®	00169-1833-11; 00169-1834-11; 00169-1837-11	All Strengths	10mL	15%	N/A	18%	57.5%	3%
NovoLog®	All NDCs	All Strengths	All Package Sizes	15%	N/A	18%	57.5%	3%
NovoLog® Mix 70/30	All NDCs	All Strengths	All Package Sizes	15%	N/A	18%	57.5%	3%
Levemir®	All NDCs	All Strengths	All Package Sizes	15%	N/A	22%	30%	3%
NovoFine®, AutoCover®	All NDCs	All Strengths	All Package Sizes					
NovoTwist®	All NDCs	All Strengths	All Package Sizes					
Prandin®	All NDCs	All Strengths	All Package Sizes					
PrandiMet™	All NDCs	All Strengths	All Package Sizes					
Norditropin® FlexPro®*	All NDCs	All Strengths	All Package Sizes					
Norditropin® NordiFlex®*	00169-7703-11	30mg/3mL	All Package Sizes					
Vagifem®	All NDCs	All Strengths	All Package Sizes					
Victoza®	All NDCs	All Strengths	All Package Sizes					

*A listing of "Norditropin" shall be deemed a listing of all commercially available Norditropin® FlexPro® and Norditropin® NordiFlex®.

Calculation of Rebates: Number of Units dispensed to Participants by Participating Pharmacies multiplied by the WAC in effect as of the [REDACTED] of the applicable month, multiplied by the Rebate percentage. For purposes of clarification a Plan is only eligible to receive an EGWP Rebate, Listed Rebate, Exclusive Rebate, or One of Two Rebate. These Rebates will not be combined.

Conditions to Rebates: The payment of Rebates is subject to the following conditions, as determined on a Product by Product, Part D Plan by Part D Plan, and month by month basis, provided that if these conditions are not met for the entire month, Rebates shall be payable on utilization of that Product for only that portion of the month in which such conditions were met:

1. The Product is listed on the Plan Formulary [REDACTED]
2. The Product adjudicates at Second Tier or, if applicable, the Specialty Tier; and
3. The Product is not Disadvantaged.

Additional Conditions for Novolin, Novolog, NovoLog Mix 70/30 Exclusive Rebates: The payment of Exclusive Rebates for Novolin, Novolog, and NovoLog Mix 70/30 is subject to the following additional conditions, as determined on a Part D Plan by Part D Plan and month by month basis, provided that if these conditions are not met for the entire month, Rebates shall be payable on utilization of these Products for only that portion of the month in which such conditions were met:

1. Novolin®, NovoLog®, NovoLog® Mix 70/30 have Exclusive Formulary Status.
2. All Competitive Products are subject to Exclusion, and existing patients using a Competitive Product may not be grandfathered.
3. Victoza is listed on the Formulary.
4. PBM shall not rebid for products within the Product's Therapeutic Class for placement on the PBM's national Part D formulary prior to January 1, 2015 (the foregoing does not prohibit rebid for product utilization occurring on or after January 1, 2015) unless such rebid is undertaken as a result of clinical or safety issues with the Product (e.g., FDA black box warning or other FDA safety alert, Product withdrawal or recall, etc.).

Additional Conditions for Levemir Exclusive Rebates: The payment of Exclusive Rebates for Levemir is subject to the following additional conditions, as determined on a Part D Plan by Part D Plan and month by month basis, provided that if these conditions are not met for the entire month, Rebates shall be payable on utilization of the Product for only that portion of the quarter in which such conditions were met:

1. Levemir has Exclusive Formulary Status; and
2. All Competitive Products are subject to Exclusion.

Additional Conditions for Victoza Exclusive Rebates: The payment of Exclusive Rebates for Victoza is subject to the following additional conditions, as determined on a Part D Plan by Part D Plan and month by month basis, provided that if these conditions are not met for the entire month, Rebates shall be payable on utilization of the Product for only that portion of the month in which such conditions were met:

1. Victoza is not subject to any step edits, prior authorizations, or otherwise Disadvantaged to any product in the Incretin Therapeutic Class, except for Permitted Activities.
2. Victoza has Exclusive Formulary Status within the GLP-1 Therapeutic Class. All Competitive Products within the GLP-1 Therapeutic Class are subject to Exclusion, provided, however, for January 1, 2013 through December 31, 2013 only, Byetta will be acceptable if it is subject to a higher co-pay and subject to prior authorization and appropriate utilization management tools.
3. Novolin®, NovoLog®, and NovoLog® Mix 70/30 satisfy the conditions for Novolin®, NovoLog®, and NovoLog® Mix 70/30 Exclusive Rebates.

Calculation of Administrative Fee: Number of Rebate eligible Units dispensed to Participants by Participating Pharmacies multiplied by the WAC in effect as of the [REDACTED] day of the applicable month, multiplied by the Administrative Fee percentage.

Price Protection: This Section applies only to Rebates for NovoLog®, NovoLog® Mix 70/30, Levemir® and Victoza® Rebates. The Net Price for each Product's Formulary Status shall be reviewed monthly by comparing

the Net Price of the applicable calendar month to the Baseline Net Price. If the Product's Net Price has increased by more than eight percent (8.00%) over Baseline Net Price ("**Net Price Ceiling**"), the Rebate percentage(s) for such Product will be increased for such calendar month such that the Net Price will equal the Net Price Ceiling. The increased Rebate percentage(s) shall remain in effect during the remainder of the current Contract Year and shall return to their original percentage at the beginning of the next Contract Year. Calculations will be performed to six decimal places of precision rounded to 2 decimals. If the Rebate percentages are increased pursuant to this section, PBM will notify Manufacturer of the amount of the increase in the Rebate percentages, which notice requirement may be satisfied by PBM submission of an invoice to Manufacturer that reflects the increased Rebate percentages.

An example of the foregoing adjustment is as follows: If the Baseline WAC for a particular Product is \$100, the Rebate Percentage is ten percent (10%), and the Baseline Net Price for the Product is \$90, the Net Price Ceiling would be \$97.20. If the WAC for such Product increases by \$10, the Net Price for the Product would be \$99, which exceeds the Net Price Ceiling. The Rebate Percentage would thus increase to 11.64% ($\$110 - \$97.20 = \$12.80$; $\$12.80/\$110 = 11.64\%$) in order to maintain a Net Price equal to the Net Price Ceiling.



CONFIDENTIAL

Exhibit B
Alternative Dispute Resolution Procedures

1. To begin an Alternative Dispute Resolution ("ADR") proceeding, a party shall provide written notice to the other party of the issues to be resolved by ADR. Within fourteen (14) days after its receipt of such notice, the other party may, by written notice to the party initiating the ADR, add additional issues to be resolved within the same ADR.
2. Within twenty-one (21) days following receipt of the original ADR notice, the parties shall select a mutually acceptable neutral to preside in the resolution of any disputes in this ADR proceeding. If the parties are unable to agree on a mutually acceptable neutral within such period, either party may request the American Arbitration Association ("AAA") to select a neutral pursuant to the following procedures:
 - (a) The AAA shall submit to the parties a list of not less than five (5) candidates within fourteen (14) days after receipt of the request, along with a Curriculum Vitae for each candidate. No candidate shall be an employee, director, or shareholder of either party or any of its Affiliates.
 - (b) Such list shall include a statement of disclosure by each candidate of any circumstances likely to affect his or her impartiality.
 - (c) Each party shall number the candidates in order of preference (with the number one (1) signifying the greatest preference) and shall deliver the list to the AAA within seven (7) days following receipt of the list of candidates. If a party believes a conflict of interest exists regarding any of the candidates, that party shall provide a written explanation of the conflict to the AAA along with its list showing its order of preference for the candidates. Any party failing to return a list of preferences on time shall be deemed to have no order of preference.
 - (d) If the parties collectively have identified fewer than three (3) candidates deemed to have conflicts, the AAA immediately shall designate as the neutral the candidate for whom the parties collectively have indicated the greatest preference. If a tie should result between two candidates, the AAA may designate either candidate. If the parties collectively have identified three (3) or more candidates deemed to have conflicts, the AAA shall review the explanations regarding conflicts and, in its sole discretion, may either (i) immediately designate as the neutral the candidate for whom the parties collectively have indicated the greatest preference, or (ii) issue a new list of not less than five (5) candidates, in which case the procedures set forth in subparagraphs 2(a) through 2(d) shall be repeated.
3. No earlier than twenty-eight (28) days or later than fifty-six (56) days after selection, the neutral shall hold a hearing to resolve each of the issues identified by the parties. The ADR proceeding shall take place at a location agreed upon by the parties. If the parties cannot agree, the neutral shall designate a location other than the principal place of business of either party or any of its Affiliates.
4. At least seven (7) days prior to the hearing, each party shall submit the following to the other party and the neutral:
 - (a) a copy of all exhibits on which such party intends to rely in any oral or written presentation to the neutral;
 - (b) a list of any witnesses such party intends to call at the hearing, and a short summary of the anticipated testimony of each witness;
 - (c) a proposed ruling on each issue to be resolved, together with a request for a specific damage award or other remedy for each issue. The proposed rulings and remedies shall not contain any recitation of the facts or any legal arguments and shall not exceed one (1) page per issue.
 - (d) a brief in support of such party's proposed rulings and remedies, provided that the brief shall not exceed twenty (20) pages. This page limitation shall apply regardless of the number of issues raised in the ADR proceeding.

Except as expressly set forth in subparagraphs 4(a) through 4(d), no discovery shall be required or permitted by any means, including depositions, interrogatories, requests for admissions, or production of documents.

5. The hearing shall be conducted on two (2) consecutive days or less and shall be governed by the following rules:

(a) Each party shall be entitled to five (5) hours of hearing time to present its case. The neutral shall determine whether each party has had the five (5) hours to which it is entitled.

(b) Each party shall be entitled, but not required, to make an opening statement, to present regular and rebuttal testimony, documents or other evidence, to cross-examine witnesses, and to make a closing argument. Cross-examination of witnesses shall occur immediately after their direct testimony, and cross-examination time shall be charged against the party conducting the cross-examination.

(c) The party initiating the ADR shall begin the hearing and, if it chooses to make an opening statement, shall address not only issues it raised but also any issues raised by the responding party. The responding party, if it chooses to make an opening statement, also shall address all issues raised in the ADR. Thereafter, the presentation of regular and rebuttal testimony and documents, other evidence, and closing arguments shall proceed in the same sequence.

(d) Except when testifying, witnesses shall be excluded from the hearing until closing arguments; provided, however, that each party shall be allowed to have a corporate representative stay in the hearing room throughout the entire hearing. All testimony must be provided live at the hearing. Neither party shall be permitted to compel adverse witnesses to appear at the hearing.

(e) Settlement negotiations, including any statements made therein, shall not be admissible under any circumstances. Affidavits prepared for purposes of the ADR hearing also shall not be admissible. As to all other matters, the neutral shall have sole discretion regarding the admissibility of any evidence.

6. Within seven (7) days following completion of the hearing, each party may submit to the other party and the neutral a post-hearing brief in support of its proposed rulings and remedies, provided that such brief shall not contain or discuss any new evidence and shall not exceed ten (10) pages. This page limitation shall apply regardless of the number of issues raised in the ADR proceeding.

7. The neutral shall rule on each disputed issue within fourteen (14) days following completion of the hearing. Such ruling shall adopt in its entirety the proposed ruling and remedy of one of the parties on each disputed issue but may adopt one party's proposed rulings and remedies on some issues and the other party's proposed rulings and remedies on other issues. The neutral shall not issue any written opinion or otherwise explain the basis of the ruling.

8. The neutral shall be paid a reasonable fee plus expenses. These fees and expenses, along with the reasonable legal fees and expenses of the prevailing party (including all expert witness fees and expenses), the fees and expenses of a court reporter, and any expenses for a hearing room, shall be paid as follows:

(a) If the neutral rules in favor of one party on all disputed issues in the ADR, the losing party shall pay 100% of such fees and expenses.

(b) If the neutral rules in favor of one party on some issues and the other party on other issues, the neutral shall issue with the rulings a written determination as to how such fees and expenses shall be allocated between the parties. The neutral shall allocate fees and expenses in a way that bears a reasonable relationship to the outcome of the ADR, with the party prevailing on more issues, or on issues of greater value or gravity, recovering a relatively larger share of its legal fees and expenses.

9. The rulings of the neutral and the allocation of fees and expenses shall be binding, non-reviewable, and non-appealable, and may be entered as a final judgment in any court having jurisdiction.

10. Except as provided in paragraph 9 or as required by law, the existence of the dispute, any settlement negotiations, the ADR hearing, any submissions (including exhibits, testimony, proposed rulings, and briefs), and the rulings shall be deemed Confidential Information. The neutral shall have the authority to impose sanctions for unauthorized disclosure of Confidential Information.

* * *

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Exhibit C
THERAPEUTIC CLASSES

1. Therapeutic Class for Formulary Position

Novo Nordisk Product	Competitive Products
Topical Estrogens	
Human Insulin	
Novolin®	Humulin (except for Humulin U-500)
Rapid-Acting Insulin Analog	
NovoLog®	Humalog Apidra
Pre-Mix Insulin Analog	
NovoLog® Mix 70/30	Humalog Mix
Basal Insulin Analog	
Levemir®	Lantus

Novo Nordisk Product	Competitive Products

2. Therapeutic Class for Utilization by Market Report

NDC – Novo Nordisk Product	NDC - Competitive Products
Human Insulin	
00169-1833-11 Novolin® R (Regular)	00002-8215-01 Humulin R
00169-1834-11 Novolin® N (NPH)	00002-8215-17 Humulin R 3mL Vial
00169-1837-11 Novolin® 70/30 (70% NPH 30% Reg.)	00002-8215-91 Humulin R
	00002-8501-01 Humulin R U-500
	00002-8315-01 Humulin N
	00002-8315-17 Humulin N 3mL Vial
	00002-8315-91 Humulin N
	00002-8715-01 Humulin 70/30 10mL Vial
	00002-8715-17 Humulin 70/30 3mL Vial
	00002-8715-91 Humulin 70/30 10mL Vial
	00002-9515-01 Humulin 50/50
	00002-8730-59 Humulin N 3mL Pen
	00002-8730-01 Humulin N 3mL Pen – Inner Pack
	00002-8770-59 Humulin 70/30 3mL Pen
	00002-8770-01 Humulin 70/30 3mL Pen – Inner Pack
Rapid-Acting Insulin Analog	
00169-7501-11 NovoLog® 10mL	00002-7510-01 Humalog 10mL
00169-3303-12 NovoLog® PenFill® 3mL	00002-7510-17 Humalog 3mL Vial
00169-6339-10 NovoLog® FlexPen® 3mL	00002-7516-59 Humalog 3mL
	00002-8725-59 Humalog Pen
	00002-8725-01 Humalog Pen (single)
	00002-8799-59 Humalog KwikPen
	00002-8799-01 Humalog KwikPen (single)
	00088-2500-33 Apidra 10mL
	00088-2500-52 Apidra 3mL
	00088-2502-05 Apidra SoloSTAR
	00002-8215-01 Humulin R
	00002-8215-17 Humulin R 3mL Vial
	00002-8215-91 Humulin R
	00002-8501-01 Humulin R U-500
	00169-1833-11 Novolin® R (Regular)
Pre-Mix Insulin Analog	
00169-3685-12 NovoLog® Mix 70/30 10mL	00002-7511-01 Humalog 75/25 10mL
00169-3696-19 NovoLog® Mix 70/30 FlexPen®	00002-7512-01 Humalog Mix 50/50
	00002-8715-01 Humulin 70/30 10mL Vial
	00002-8715-17 Humulin 70/30 3mL Vial
	00002-8715-91 Humulin 70/30 10mL Vial
	00002-8770-01 Humulin 70/30 Pen (single)
	00002-8770-59 Humulin 70/30 Pen
	00002-8793-59 Humalog Mix 50/50 Pen

NDC – Novo Nordisk Product	NDC - Competitive Products
	00002-8794-59 Humalog 75/25 Pen 00002-8797-59 Humalog KwikPen 75/25 00002-8797-01 Humalog KwikPen 75/25 00002-8798-59 Humalog KwikPen 50/50 00002-8798-01 Humalog KwikPen 50/50 (single) 00002-9515-01 Humulin 50/50 00169-1837-11 Novolin® 70/30
Basal Insulin Analog	
00169-3687-12 Levemir® 10mL 00169-6439-10 Levemir® FlexPen® 5x3mL	00088-2220-33 Lantus 10mL 00088-2220-52 Lantus 3mL 00088-2220-60 Lantus (SoloStar) 3mL 00088-2219-05 Lantus (SoloStar) 3mL 00002-8315-01 Humulin N 00002-8315-17 Humulin N 3mL Vial 00002-8315-91 Humulin N 10ml Vial 00002-8730-59 Humulin N 3mL Pen 00002-8730-01 Humulin N 3mL Pen – Inner Pack 00169-1834-11 Novolin N (NPH)
Incretin Agents	









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Exhibit E Reconciliation Report

[Sample payment report that is currently supplied to Caremark:]

buid_id ntifier	cli ent ID	bunit_n ame	prod_identifi er_disp	prod_ desc	clmadjtm reimb	adjtm_aut h_units	adjtm_a uth_rx	adjtm_am t_final	clmadjtm_ba sis_price	cpgrp_ desc	cont_t itle	cppt_pe rcnt	clmadjtm_ mshrpct	clmadjtm_s tep_tier	adjtm_dt start	adjtm_d t_end

[Sample outlier Report/excluded claims currently supplied to Caremark]

kgcr	Product	Product Name	Form	Strength	Rx Id	Pharmacy Id	Service Date	Plan Id	Refill Code	Unit Of Measure	Days Supply	Units	ClaimNo	Dup Rx	Dup Across Clients	Exceeding Qty	340B Pharmacy	See Report Name Column	Report Name
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Exhibit D: Excluded Claims Criteria

In addition to the other sections of the Agreement which set out the terms for Rebate eligibility or ineligibility, this Exhibit D sets out the criteria for determining claims which shall be excluded from Rebate eligibility, unless otherwise mutually agreed by the Parties. Notwithstanding anything to the contrary herein, if PBM substantiates any claims initially excluded under the terms of this Exhibit D to the satisfaction of Manufacturer, [REDACTED] after the claim period, Manufacturer shall pay Rebates for said claims.



This document contains confidential and proprietary trade secrets of CVS Caremark. Its contents may not be disclosed beyond the authorized recipient without CVS Caremark's prior written consent.

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FINAL

**THIRD AMENDMENT TO
THE MEDICARE PART D PROGRAM REBATE AGREEMENT**

THIS THIRD AMENDMENT TO THE MEDICARE PART D PROGRAM REBATE AGREEMENT ("Third Amendment") is made and effective as of the first day of January, 2015 ("Third Amendment Effective Date"), by and between sanofi-aventis U.S. LLC ("SA") and CVS Caremark Part D Services, L.L.C., a Delaware limited liability company ("PBM").

Background

PBM and SA have entered into that certain Medicare Part D Program Rebate Agreement, dated January 1, 2013, as amended (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meaning given to them in the Agreement. PBM and SA desire to amend the Agreement as hereinafter set forth.

The parties hereto agree as follows:

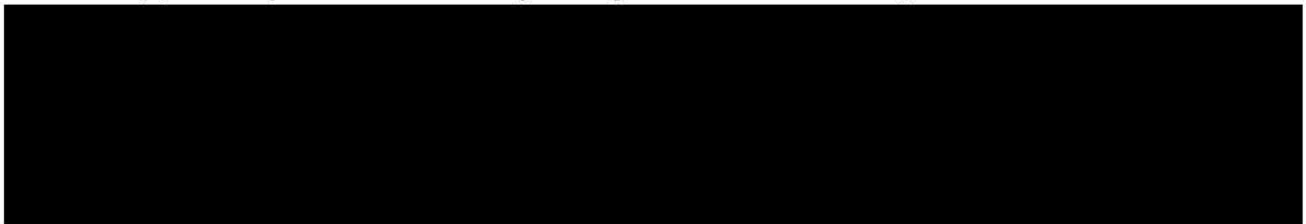
1. Section 2(c), SA Payment, shall be deleted in its entirety and replaced with the following:

(i) **Payment.** SA will make payments of Rebates and Administrative Fees to PBM within thirty (30) days of SA's receipt of the Utilization Data for each month providing that SA receives such Utilization Data within fifteen (15) days following the last day of such month by 12:00 p.m. Eastern Time ("Utilization Due Date"). If the Utilization Data is received after the Utilization Due Date, then SA shall have an additional five (5) days to make the payment. Notwithstanding the foregoing, Utilization Data for any subsequent month shall be submitted no earlier than thirty (30) days after the previous month's submission's receipt date. If Utilization Data for any subsequent month is submitted within less than thirty (30) days, then Rebates and Administrative Fees for such subsequent month shall be due thirty (30) days from the previous month's payment due date. If a Rebate and Administrative Fee invoice is resubmitted to SA out of the normal billing process, payment will be due within thirty (30) days from receipt of such out of cycle invoice, however, future invoices shall be due and payable according to the standard payment terms as outlined herein.

(ii) **Method of Payment.** All payments made by SA shall be made electronically, via Auto Clearing House (ACH), to the bank account designated by the PBM.

(iii) **SA Documentation.** SA shall deliver to PBM, electronically and on or before the relevant payment due date of the Rebates and Administrative Fees, the NCPDP manufacturer rebate reconciliation flat file standard, or alternatively, a reconciliation report in either of the formats set forth in Exhibit C to the Agreement.

2. Section 2(n) is hereby deleted in its entirety and replaced with the following:



3. Section 5(a), Term, shall be deleted in its entirety and replaced with the following:

Term. The initial term of this Agreement shall commence on the Effective Date and continue thereafter until [REDACTED] subject to earlier termination as provided herein.

4. Exhibit A-1, Products & Rebates (Affiliated Plans), attached to the Agreement shall be deleted in its entirety and replaced with Exhibit A-1 attached to this Amendment.
5. Exhibit A-2, Products, Rebates & Administrative Fees (Non-Affiliated Plans), attached to the Agreement shall be deleted in its entirety and replaced with Exhibit A-2 attached to this Amendment.
6. Exhibit B, Therapeutic Class, attached to the Agreement shall be deleted in its entirety and replaced with Exhibit B, Therapeutic Class, attached to this Amendment.
7. Except as modified by this Third Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

Except as specifically set forth in this Third Amendment, the terms and conditions of the Agreement shall remain in full force and effect. In the event of a conflict between the terms of this Third Amendment and the terms of the Agreement, the terms of this Third Amendment shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be executed by their duly authorized officers or representatives as of the date first above written.

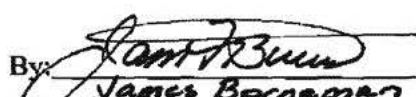
CVS CAREMARK PART D SERVICES,
L.L.C.

By: 

Daniel Best

Title: Vice President, Trade Relations

SANOFI-AVENTIS U.S. LLC

By: 

James Borneman

Title: VP, Strategic Pricing + Contracting

SANOFI-AVENTIS U.S. LLC

By: 

Title: Michael J. Kaseta

VP, North America Financial Controlling

Contract
Ops

Exhibit A-1
Products & Rebates
(Affiliated Plans)

The following Rebates shall be payable on Product dispensed to Members of Affiliated Plans by Participating Pharmacies effective January 1, 2015 to December 31, 2015:

Product Name	NDC#	Strength	Package Size	Rebate Percentage
Apidra®	All NDCs	All Strengths	All Package Sizes	15%
Apidra® SoloStar®	All NDCs	All Strengths	All Package Sizes	15%
Aubagio	All NDCs	All Strengths	All Package Sizes	
Auvi-Q	All NDCs	All Strengths	All Package Sizes	
Lantus® vials	All NDCs	All Strengths	All Package Sizes	42%
Lantus SoloStar®	All NDCs	All Strengths	All Package Sizes	42%
Multaq® - Non-Preferred Branded Tier	All NDCs	All Strengths	All Package Sizes	
Renvela®	All NDCs	All Strengths	All Package Sizes	
Renvela® (Exclusive)**	All NDCs	All Strengths	All Package Sizes	

Calculation of Percentage Rebates: Number of eligible Units of Product dispensed to Members by Participating Pharmacies multiplied by WAC in effect as of the [REDACTED] day of the applicable month multiplied by the Rebate Percentage set forth in the table above.

Conditions to Rebates: The payment of Rebates is subject to the satisfaction of the following conditions, as determined on a Product by Product, Part D Plan by Part D Plan, and month by month basis, provided that if these conditions are not met for the entire month, Rebates shall be payable on utilization of that Product for only that portion of the month in which such conditions were met:

1. The Product is listed* on the Plan Formulary.
2. The Product is adjudicated at the Preferred Branded Tier, [REDACTED]
3. [REDACTED]
4. The Product is not subject to Disadvantaging Activities.
5. As additional conditions to Lantus vial and Lantus SoloStar Rebates only:
 - (A) "Lantus"* is listed on the Plan Formulary as one (1) of two (2) insulin Single Source Branded Products in the Long Acting Insulin Sub-Category identified by "+" on Exhibit B in the Blood Glucose Regulators Therapeutic Class set forth on Exhibit B.
 - (B) No Single Source Branded Product in the Blood Glucose Regulators Therapeutic Class in a similar product form as "Lantus" (i.e., vial or pen, whichever is applicable) has a more favorable formulary position than that of "Lantus."
6. As an additional condition to Lantus vial Rebates only, Lantus SoloStar is listed on the Plan Formulary in the same or more favorable formulary position as other insulin pen Single Source Branded Products in the Blood Glucose Regulators Therapeutic Class.

7. As an additional condition to Lantus SoloStar Rebates only, Lantus vial is listed on the Plan Formulary in the same or more favorable formulary position as other insulin vial Single Source Branded Products in the Blood Glucose Regulators Therapeutic Class.

8.

9.

*A listing of "Lantus" shall be deemed a listing of Lantus vial and Lantus SoloStar. A listing of "Apidra" shall be deemed a listing of Apidra and Apidra SoloStar.

Price Protection and Additional Rebate. Beginning on January 1, 2015 through the term of Exhibit A-1, if the WAC of any NDC of a Product in effect on the first (1st) day of a calendar month exceeds the Price Increase Limitation Price ("Additional Rebate Trigger"), then SA shall pay an Additional Rebate (which shall be in addition to the Rebates described above). For purposes of this Section, the following definitions shall apply:

"Additional Rebate" shall mean, for each NDC of a Product, the dollar amount by which NEP exceeds Maximum NEP.

"Baseline WAC" means, for each NDC of a Product: (i) the WAC in effect as of June 1, 2014, except for Lantus which is May 29, 2014.

"Maximum NEP" means, for each NDC of a Product, the Price Increase Limitation Price minus the Rebate.

"NEP" means net effective price for each NDC of a Product, WAC minus the Rebate.

"Price Increase Limitation Price" means Baseline WAC increased by the Price Increase Limitation Rate.

"Price Increase Limitation Rate" means: 7.5% for each NDC of a Product.

The Additional Rebate shall be payable effective as of the beginning of the calendar month in which the Additional Rebate Trigger falls and shall remain in effect for the remaining term of Exhibit A-1, unless subsequently increased pursuant to this Section. For avoidance of doubt, if WAC is subsequently increased and a new Additional Rebate Trigger occurs, the Additional Rebate will be increased accordingly.

The following example is for illustrative purposes only, and assumes a Price Increase Limitation Rate of 5%:

Baseline WAC: \$100.00

Rebate Percentage: 30%

NEP: \$70.00 = (\$100.00 - \$30.00 Rebate)

Price Increase Limitation Rate: 5%

Price Increase Limitation Price: \$105.00 = (\$100.00 plus \$5.00)

Maximum NEP: \$73.50 = (\$105.00 - \$31.50 Rebate)

- January 1, 2015: WAC = \$100.00. No Additional Rebate is due.
- February 1, 2015: WAC = \$100.00. No Additional Rebate is due.
- March 1, 2015: WAC = \$108.00. Additional Rebate (as determined below) is due for utilization beginning on March 1, 2015 and will continue until the next Additional Rebate Trigger.

If WAC increased by 8%:

New WAC: \$108.00

Rebate: \$32.40 = (\$108.00 * 30%)

New NEP: \$75.60 = (\$108.00 WAC - \$32.40 Rebate)

Additional Rebate: \$2.10 (\$75.60 NEP - \$73.50 Maximum NEP)

Total Rebate: \$34.50 (\$32.40 Rebate + \$2.10 Additional Rebate) (Due for utilization from March 1, 2015 through September 30, 2015)

- October 1, 2015: WAC = \$111.00. Additional Rebate (as determined below) is due for utilization beginning on October 1, 2015 and will continue until the next Additional Rebate Trigger.

New WAC: \$111.00

Rebate: \$33.30 = (\$111.00 * 30%)

New NEP: \$77.70 (\$111.00 WAC - \$33.30 Rebate)

Additional Rebate: \$4.20 (\$77.70 NEP - \$73.50 Maximum NEP)

Total Rebate: \$37.50 (\$33.30 Rebate + \$4.20 Additional Rebate) (Due for utilization from October 1, 2015 through December 31, 2015).

* * *

Exhibit A-2
Products, Rebates & Administrative Fees
(Non-Affiliated Plans)

The following Rebates and Administrative Fees shall be payable on Product dispensed to Members of Non-Affiliated Plans by Participating Pharmacies effective January 1, 2015 through December 31, 2015:

Product Name	NDC#	Strength	Package Size	Rebate Percentage			Administrative Fee
				Open Rebates	Multi-Tier Rebates	Closed Rebates	
Apidra®	All NDCs	All Strengths	All Package Sizes	12%	12%	12%	3%
Apidra® SoloStar®	All NDCs	All Strengths	All Package Sizes	12%	12%	12%	3%
Aubagio	All NDCs	All Strengths	All Package Sizes				
Auvi-Q	All NDCs	All Strengths	All Package Sizes				
Lantus® vials	All NDCs	All Strengths	All Package Sizes	39%	39%	39%	3%
Lantus® SoloStar®	All NDCs	All Strengths	All Package Sizes	39%	39%	39%	3%
Multaq®	All NDCs	All Strengths	All Package Sizes				
Multaq® - Non-Preferred Branded Tier	All NDCs	All Strengths	All Package Sizes				
Renvela®	All NDCs	All Strengths	All Package Sizes				
Renvela® (Exclusive)**	All NDCs	All Strengths	All Package Sizes				

Calculation of Percentage Rebates: Number of eligible Units of Product dispensed to Members by Participating Pharmacies multiplied by WAC in effect as of the [REDACTED] day of the applicable month multiplied by the Rebate Percentage set forth in the table above.

Conditions to Rebates: The payment of Rebates is subject to the satisfaction of the following conditions, as determined on a Product by Product, Part D Plan by Part D Plan, and month by month basis, provided that if these conditions are not met for the entire month, Rebates shall be payable on utilization of that Product for only that portion of the month in which such conditions were met:

1. The Product is listed* on the Plan Formulary.
2. The Product is adjudicated at the Preferred Branded Tier. [REDACTED]
3. [REDACTED]
4. The Product is not subject to Disadvantaging Activities.
5. As additional conditions to Lantus vial and Lantus SoloStar Rebates only:
 - (A) "Lantus"* is listed on the Plan Formulary as one (1) of two (2) insulin Single Source Branded Products in the Long Acting Insulin Sub-Category identified by "++" on Exhibit B in the Blood Glucose Regulators Therapeutic Class set forth on Exhibit B.

(B) No Single Source Branded Product in the Blood Glucose Regulators Therapeutic Class in a similar product form as "Lantus" (i.e., vial or pen, whichever is applicable) has a more favorable formulary position than that of "Lantus."

6. As an additional condition to Lantus vial Rebates only, Lantus SoloStar is listed on the Plan Formulary in the same or more favorable formulary position as other insulin pen Single Source Branded Products in the Blood Glucose Regulators Therapeutic Class.
7. As an additional condition to Lantus SoloStar Rebates only, Lantus vial is listed on the Plan Formulary in the same or more favorable formulary position as other insulin vial Single Source Branded Products in the Blood Glucose Regulators Therapeutic Class.

8.

9.

*A listing of "Lantus" shall be deemed a listing of Lantus vial and Lantus SoloStar. A listing of "Apidra" shall be deemed a listing of Apidra and Apidra SoloStar.

Calculation of Administrative Fee: Number of eligible Units of Product dispensed to Members of Non-Affiliated Plans, by Participating Pharmacies multiplied by WAC in effect as of the fifteenth (15th) day of the applicable month multiplied by the Administrative Fee Percentage.

Price Protection and Additional Rebate. Beginning on January 1, 2015 through the term of Exhibit A-2, if the WAC of any NDC of a Product is increased in effect on the first (1st) day of a calendar month exceeds the Price Increase Limitation Price ("Additional Rebate Trigger"), then SA shall pay an Additional Rebate (which shall be in addition to the Rebates described above). For purposes of this Section, the following definitions shall apply:

"Additional Rebate" shall mean, for each NDC of Product, the dollar amount by which NEP exceeds Maximum NEP.

"Baseline WAC" means, for each NDC of a Product: (i) the WAC in effect as of June 1, 2014, except for Lantus which is May 29, 2014.

"Maximum NEP" means, for each NDC of a Product, the Price Increase Limitation Price minus the Rebate.

"NEP" means net effective price for each NDC of a Product, WAC minus the Rebate.

"Price Increase Limitation Price" means Baseline WAC increased by the Price Increase Limitation Rate.

"Price Increase Limitation Rate" means: 7.5% for each NDC of a Product

The Additional Rebate shall be payable effective as of the beginning of the calendar month in which the Additional Rebate Trigger falls and shall remain in effect for the remaining term of Exhibit A-2, unless subsequently increased pursuant to this Section. For avoidance of doubt, if WAC is subsequently increased, and a new Additional Rebate Trigger occurs, the Additional Rebate will be increased accordingly.

The following example is for illustrative purposes only, and assumes a Price Increase Limitation Rate of 5%:

Baseline WAC: \$100.00

Rebate Percentage: 30%

NEP: \$70.00 = (\$100.00 - \$30.00 Rebate)

Price Increase Limitation Rate: 5%

Price Increase Limitation Price: \$105.00 = (\$100.00 plus \$5.00)

Maximum NEP: \$73.50 = (\$105.00 - \$31.50 Rebate)

- January 1, 2015: WAC = \$100.00. No Additional Rebate is due.
- February 1, 2015: WAC = \$100.00. No Additional Rebate is due.
- March 1, 2015: WAC = \$108.00. Additional Rebate (as determined below) is due for utilization beginning on March 1, 2015 and will continue until the next Additional Rebate Trigger.

If WAC increased by 8%:

New WAC: \$108.00

Rebate: \$32.40 = (\$108.00 * 30%)

New NEP: \$75.60 = (\$108.00 WAC - \$32.40 Rebate)

Additional Rebate: \$2.10 (\$75.60 NEP - \$73.50 Maximum NEP)

Total Rebate: \$34.50 (\$32.40 Rebate + \$2.10 Additional Rebate) (Due for utilization from March 1, 2015 through September 30, 2015)

- October 1, 2015: WAC = \$111.00. Additional Rebate (as determined below) is due for utilization beginning on October 1, 2015 and will continue until the next Additional Rebate Trigger.

New WAC: \$111

Rebate: \$33.30 = (\$111.00 * 30%)

New NEP: \$77.70 (\$111.00 WAC - \$33.30 Rebate)

Additional Rebate: \$4.20 (\$77.70 NEP - \$73.50 Maximum NEP)

Total Rebate: \$37.50 (\$33.30 Rebate + \$4.20 Additional Rebate) (Due for utilization from October 1, 2015 through December 31, 2015).

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Exhibit B
Therapeutic Class

Rapid Acting Insulin	Apidra Apidra SoloStar	Humalog Novolog
Antiarrhythmics	Multaq	
Phosphate Binders	Renvela	
Blood Glucose Regulators	Lantus++ Lantus SoloStar++	<u>Insulin</u> Humalog Mix 50/50 Humalog Mix 75/25 Humulin 50/50 Humulin 70/30 Humulin N Levemir++ Novolin 70/30 Novolin N Novolog Mix 70/30 Relion Mix 70/30 Relion N <u>Non-Insulin</u> Actoplus MET Actos Avandamet Avandaryl Avandia Bydureon Byetta Duetact Farxiga Invokana Janumet Janumet XR Januvia Juvisync Kazano Kombiglyze XR Nesina Onglyza Oseni pioglitazone pioglitazone/glimepiride pioglitazone/metformin Tradjenta Victoza
Epinephrine Autoinjector	Auvi-Q	
Multiple Sclerosis	Aubagio	

Includes all strengths, formulations and NDC numbers associated with the products listed. Any new strengths, formulations, and NDC numbers of the listed products will be deemed automatically added unless specifically stated otherwise.

++Long Acting Insulin Sub-Category Class - For the purposes only of determining the number of products in the relevant subcategory, all dosage forms, strengths, and package forms of the applicable long acting insulin product, including delivery devices (e.g., vials, prefilled syringes, pens, cartridges), shall be considered one (1) product. For example, Lantus and Lantus SoloStar shall be considered as one (1) product.

+++ Iron Based Phosphate Binder Sub-Category Class.

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