February 1, 2018

PROVIDER AGREEMENT

LOYALTYSCRIPT® CARD PROGRAMS

This Agreement, (the “Agreement”) governs your pharmacy (“Pharmacy”, “You” or “Your”) participation in the LoyaltyScript® Program (“LoyaltyScript®”) administered by McKesson Specialty Arizona Inc., having its operations at 5701 North Pima Road, Scottsdale, Arizona 85020 (“Administrator”). Throughout this Agreement, Administrator and Pharmacy may be referred to individually as a “Party” or collectively as “Parties”.

WHEREAS, Administrator offers transaction-adjudication services to certain manufacturers of pharmaceutical products (the “Customers”) and has established electronic systems to process and adjudicate transactions and provide related administrative, marketing, and clinical services (the “Services”) including those related to LOYALTYSCRIPT® (the “Program”);

WHEREAS, Customers have engaged Administrator to provide Services in connection with the Customers’ programs;

WHEREAS, Pharmacy wants to offer its patients the benefits of the Programs;

WHEREAS, the Parties wish to set forth the terms and conditions under which Pharmacy will participate in the Programs.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Program Participation. LOYALTYSCRIPT® benefits may be made available through the use of a prescription identifier, which may come in the form of a plastic or paper card, coupon or voucher in either physical or electronic form (the “Cards”). The Cards may be pre-activated or patients may be required to enroll in the Program by calling the Administrator, visiting a website to activate their Card or otherwise enroll in the Program. Pharmacy understands and agrees that, (i) enrollment in the Program may not be a requirement and is subject to criteria established by the Administrator’s Customers and federal and state law; (ii) the eligibility criteria are subject to change without notice; and (iii) some patients may not qualify for participation in the Program. Individuals who are eligible to participate in the Program (the “Eligible Patients”) are eligible to use the Card at point of sale. Eligible Patients must present their Card to Pharmacy to participate in the Program. You acknowledge all beneficiaries of any state or federally funded programs, including but not limited to, Medicare, Medicaid, TriCare, VA, DOD, etc., (“Government Beneficiaries”) are ineligible for participation in the Program and You will not accept Cards or submit transactions for Government Beneficiaries. Pharmacy will provide Covered Drugs (as defined in Exhibit 1 attached hereto) to Eligible Patients in the same manner as such services are provided in the ordinary course of business absent this Agreement, without preference or discrimination. Upon Eligible Patient’s presentation of the Card and a valid prescription for a Covered Drug, Pharmacy will: (i) examine the Card, (ii) confirm patient is not a Government Beneficiary, (iii) confirm eligibility via the online transaction processing system, (iv) dispense the prescription to the Eligible Patient, and (v) collect the co-payment, if any, as indicated by the online system.

2. Program Payments. For each of Your patients who: (1) is an Eligible Patient; (2) presents the Card when filling a prescription for a Customer’s Covered Drug, and (3) pays the co-payment, if any, as indicated by the online system consistent with the terms of this Agreement, You are entitled to receive payment, upon submission of Your transaction, equal to the Amount Due Pharmacy plus a transaction fee (the “Payment”). “Amount Due Pharmacy” means the amount payable to Pharmacy by Administrator, acting on behalf of its Customer, in connection with the Program transaction, as indicated by the paid response for such transaction, and in accordance with the terms set forth in Exhibit 1 to this Agreement. “Usual and Customary Price” or “U&C means the lowest price Pharmacy would charge to its patients if such patients were paying cash for an identical prescription on that particular day, including any applicable discounts offered to attract patients. Pharmacy must ensure that the benefit received by the Eligible Patient is not in excess of such patient’s co-pay amount. If Pharmacy collects from the Eligible Patient more than the co-payment on a Program transaction, such action will constitute a material breach of this Agreement. If such Pharmacy fails to cure such breach within ten (10) business days of delivery of notice of the breach, the Administrator may cease adjudication of such Pharmacy’s transactions. Further, Pharmacy will not use
or disclose data collected from any Eligible Patient for any purpose other than to process transactions pursuant to this Agreement, including, without limitation, reporting to third-parties or marketing any other products or services.

3. Program Participation and Reimbursement. Program participation and reimbursement terms are set forth in Exhibit 1, which may be revised by Administrator at any time and from time to time in its discretion consistent with the Program, becoming effective upon posting at www.mckesson.com/MPRS.

4. Pharmacy Remittance. Administrator will process Pharmacy’s claims every fourteen (14) days (the “Transaction Processing Date”) and will pay Pharmacy for such transactions fourteen (14) days after the Transaction Processing Date. As an example, for illustrative purposes only, for transactions submitted by Pharmacy between February 1 and February 14, the Transaction Processing Date would be February 14 and payment will be made on February 28.

5. Help Desk. Administrator will maintain a telephone help desk to answer Pharmacies’ questions regarding Program transaction submissions.

6. Proprietary Notices. You understand and agree that You are not granted any rights, title, interest or licenses in or to the business or product names of Administrator or LOYALTYSCRIPT® or any of the member companies thereof or to any of the business or product names of any Customers of Administrator.

7. Communications. Pharmacy will restrict its communications about Programs to those specifically authorized by this Agreement or direction from Administrator. Pharmacy will not advertise LOYALTYSCRIPT® or the Programs or any waiver or reduction of co-pays or other patient liability in connection with this Agreement.

8. Adverse Events or Product Quality Complaints. You agree to report any adverse event information or product quality complaints to the Customer or manufacturer of the Covered Drug.

9. Insurance. Pharmacy will maintain a general liability insurance policy, a separate products insurance liability policy and a separate pharmacist professional liability insurance policy, with each policy having limits of at least Three Million Dollars ($3,000,000.00) for personal injury and property damage, and each carried with a company(ies) licensed to provide insurance in the state(s) in which Pharmacy is located. Any insurance carried by Pharmacy hereunder will be on an occurrence basis, and will require Pharmacy’s insurance carrier to notify Administrator at least thirty (30) days prior to the cancellation of such insurance, and will name Administrator as an additional insured. Upon Administrator’s request, Pharmacy will provide Administrator with a certificate of such insurance.

10. No Warranty. YOU AGREE THAT YOUR PARTICIPATION IN THE PROGRAM IS VOLUNTARY, AND AT YOUR OWN RISK. YOU UNDERSTAND AND AGREE THAT ADMINISTRATOR, LOYALTYSCRIPT®, ITS ELIGIBLE MEMBERS AND CUSTOMERS, DISCLAIM ANY AND ALL WARRANTIES, REPRESENTATIONS AND CONDITIONS, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE PROGRAM AND YOUR PARTICIPATION IN IT. YOU FURTHER UNDERSTAND AND AGREE THAT, EXCEPT FOR THE AMOUNT DUE PHARMACY, YOU ARE NOT ENTITLED TO PAYMENT OR COMPENSATION OF ANY KIND. You will make no representations or warranties of any kind on behalf of Administrator, LOYALTYSCRIPT®, Eligible Patients or Customer. Administrator will not be liable for any claim, injury, demand or judgment based on tort or other grounds (including warranty of merchantability) arising out of the sale or dispensing of any prescription drug provided by Pharmacy or any Pharmacy pharmacist to any person or arising out of Your negligence, violation of law, or willful misconduct; and Pharmacy agrees to defend Administrator and indemnify and hold Administrator harmless from and against any and all such claims, injuries, demands and judgments, including, without limitation, payment of all costs and reasonable attorneys’ fees

11. Limitation of Liability. YOU UNDERSTAND AND AGREE THAT IN NO EVENT WILL ADMINISTRATOR, LOYALTYSCRIPT®, ITS ELIGIBLE MEMBERS OR ANY CUSTOMER, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, SUBSIDIARIES, AFFILIATES, OR SUPPLIERS BE LIABLE FOR DAMAGES OF ANY KIND, WHETHER DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR OTHERWISE, HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY, ARISING OUT OF THESE TERMS OR YOUR PARTICIPATION IN THE PROGRAM, EVEN IF ADMINISTRATOR HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES.
12. Termination. You understand and agree that the Program (and/or Your participation in it) may be terminated by Administrator at any time, with or without cause, upon notice to you. Notwithstanding the foregoing, you will no longer be eligible to participate in the Program and receive the Payment if you fail to comply with the terms of this Agreement. You will receive Payments for covered pharmacy services prior to the effective date of termination and such amounts will be payable to You in accordance with the terms of this Agreement. After the effective date of termination of the Program or your participation therein, however, no new Payments will be payable to You for any reason. Administrator will not be liable to You or any third party for damages resulting from termination of the Program, or Your participation in it. You may terminate Your participation in the Program at any time by giving ten (10) days’ prior, written notice to Administrator. If Pharmacy continues to submit to Administrator Program transactions after giving Administrator notice of termination, Pharmacy’s notice will become null and void and of no further force or effect. Administrator will process such transactions at the then current Amount Due Pharmacy calculation in effect for the Program. Sections 7, 10, 11, 14, 16 and 15 of this Agreement and any other provisions, which by their terms are intended to survive will survive the termination of the Program, and Your participation in it.

13. Audit Rights. Administrator or its designee will have the right upon reasonable prior written notice, and during normal business hours, during the term of this Agreement and for a period of two (2) years thereafter, subject to applicable law (including those governing confidentiality), to audit Your records as they pertain to Your compliance with this Agreement. In the event that any such audit reveals any erroneous amounts paid to You, You agree to pay Administrator any such amounts within thirty (30) days after completion and delivery of the audit findings. The rights provided in this Section will be cumulative and in addition to any other rights or remedies that may be available to Administrator.

14. Compliance. Failure by You to comply with this Agreement, including without limitation, failure to limit Your charge to Eligible Patients as set forth in the Program Payments section, will result in your disqualification to submit Program transactions and Administrator will have no further obligation to process any such transactions submitted by you or to remit payment to you.

15. Confidentiality. The Parties agree that the terms hereof, including without limitation, the financial terms are to be treated as proprietary and confidential information and are not to be released to third parties unless required by law or valid legal process. In addition, any confidential and proprietary information, materials and know-how, both technical and non-technical, disclosed by one Party to the other will be treated as confidential information.

16. Miscellaneous. The parties hereto agree to comply with all federal and state laws applicable to their respective obligations hereunder and with regard to pharmacies specifically, You will comply with all federal and state laws applicable to Your Pharmacy and participation in the Program. This Agreement will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to the conflicts of law principles thereof. All notices required or provided for under this Agreement will be in writing, and will be sent by certified or registered mail, or by overnight delivery service which requires a receipt (such as Federal Express), addressed to Administrator’s address provided above or if to Pharmacy at the address associated with Pharmacy’s NABP#. All such notices will be effective upon receipt. Under no circumstances will Pharmacy be entitled to receive any payments for any Program other than the Amount Due Pharmacy for the Program under which a Pharmacy is processing a transaction on behalf of the Eligible Patient. The Parties are independent contractors, and nothing contained herein will be construed as creating any agency, partnership, or other form of joint enterprise between the Parties. If any portion of the Agreement is found to be void or unenforceable, it will be enforced to the extent allowable, and the remaining provisions will remain in full force and effect. This Agreement constitutes the entire agreement of the Parties with respect to Your participation in the Program.

17. AMENDMENTS TO THE AGREEMENT. ADMINISTRATOR MAY, WHETHER REQUIRED BY CHANGES IN LAW OR OTHERWISE, MODIFY THIS AGREEMENT, INCLUDING THE TERMS GOVERNING THE FORMULA USED TO CALCULATE THE AMOUNT DUE PHARMACY AND PROGRAM TRANSACTION FEES. EACH SUCH MODIFICATION WILL BE EFFECTIVE UPON POSTING AT WWW.MCKESSON.COM/MPRS AND WILL APPLY TO ALL CLAIMS. PHARMACY AGREES THAT IT WILL MAKE COMMERCIALLY REASONABLE EFFORTS TO ACCESS THE WEBSITE TO REVIEW ANY MODIFICATIONS PERIODICALLY BUT NO LESS THAN EVERY 90 DAYS.
EXHIBIT 1

LOYALTYSCRIPT® Card Program Participation and Reimbursement Terms

1. Program Participation. Throughout the term of the Program, whenever an Eligible Patient presents his or her LOYALTYSCRIPT® Card to You along with a valid prescription for a Covered Drug (as defined in this paragraph below), You agree: to submit Your claim to McKesson using BIN #610524. If You do not transmit claims electronically, submit a Universal Claim form to McKesson at P.O. Box 52090, Phoenix, AZ 85072. For the purpose of these Terms, a "Covered Drug" is a designated pharmaceutical drug product or device for which a Customer in the Program will provide savings to Eligible Patients. Administrator may, at the request or direction of one or more Customers, revise the list of Covered Drugs at any time and from time to time in its discretion. The LOYALTYSCRIPT® Card is not valid for use with any other prescription drug discount card, or manufacturer's coupon for the purchase of Covered Drugs. The LOYALTYSCRIPT® Card is not valid for any prescriptions reimbursed under any federal health care program, including Medicare or Medicaid, or any similar state assistance program. The LOYALTYSCRIPT® Card is void where prohibited by law, void outside the United States of America and Puerto Rico, or where assigned or transferred.

2. Adjudication.

a. Primary Transaction Adjudication. “Primary Transaction” will mean a transaction that is submitted to Administrator where Administrator acts as the primary payor of benefits because the Eligible Patient is not covered by any third-party prescription benefit plan. All Primary Transactions must comply with the following procedures in dispensing Covered Drugs under the Program. Pharmacy will:

i. Transmit an electronic transaction request in accordance with the then current NCPDP transaction format;

ii. Accept a calculation for pricing of WAC plus an amount, plus a dispensing fee and a transaction fee or the Pharmacy’s U&C, plus any applicable sales tax, in each case, less any patient copayment amount all of which will be visible to pharmacy when the Primary Transaction is adjudicated.

iii. Collect the co-payment, if any, as directed by the online system.

b. COB Transaction Adjudication. “Coordination of Benefits” will mean the transactions submitted by pharmacy to Administrator that include the coordination of benefits or other payment segment of the current NCPDP transmission format. Administrator will accept Coordination of Benefit (“COB”) transactions from Pharmacies that transmit such a transaction in accordance with the then current NCPDP transaction format.

i. Administrator will pay to Pharmacy any applicable discount amount as indicated by Administrator’s system when the transaction is adjudicated less the patient’s co-pay amount plus a transaction fee, all of which will be visible to pharmacy when the transaction is adjudicated.

ii. Collect the co-payment, if any, as directed by the online system.

c. “Wholesale Acquisition Cost” or “WAC” will mean the publicly available list price that approximates what retail pharmacies pay wholesalers for single source drugs, as published by a nationally recognized provider of pharmacy pricing data from time to time.

If you have any questions about pricing or fees payable for processing transactions, please call the Pharmacy Help Desk at 800.657.7613.