

October 1, 2013

Dear Vendor Partner,

CVS Pharmacy would like to inform you that we will be transitioning to a new Accounts Payable Invoice Match system in January 2014 in an effort to support our eventual transition of the Front Store from Retail to Cost Accounting. Success of this transition relies on timely and accurate booking of item level cost at the time of receipt/invoice. To facilitate this we will be implementing a new invoice matching system integrated with SAP.

The introduction of the SAP Match System will require certain UPC standards to continue to be maintained, or improved upon, as previous CVS/Vendor agreements have defined as standard operating procedures or invoicing protocols. Pharmaceutical purchases, requiring a prescription, will not be impacted.

The below sections list procedures that must continue to be met or be modified by each vendor in order to comply with CVS invoice standards by 12/29/2013:

- Only ship/deliver and invoice for UPCs/items that are set-up, approved, and ordered from the CVS Item File/DSD Portal:
 - Current CVS Policy recognizes unauthorized items as Free Goods.
 - If you need to update Item File and UPC/Item relationships contact the appropriate CM/FMM or review in the DSD Portal (If you need access you can obtain form from www.cvssuppliers.com).
- Billing must be timely and accurate at the UPC level.
 - Current CVS policy is 6 months from time of delivery.
 - Invoices and Credits must be billed separately.
 - Direct Store Delivery (DSD) displays are to be billed at the content level. For example, a single display unit containing 24 pieces of item A and 18 pieces of item B needs to be invoiced in that manner, not as a single unit of 1.
- When billing and using the Unit of Measure (UOM) of Case pack, the pack size must be included. When billing and using the UOM of Eaches, the utilization of pack size should not be included. Proper billing should mirror the same UOM in order to avoid unnecessary deductions.
- Sum of invoice Detail must equal the Header total.

Please be reminded that adherence to the above CVS policies will greatly increase the timeliness of payments, reduce chargebacks and reduce the need for proof of delivery efforts from both parties.

Again, we would like to re-iterate pharmaceutical purchases, requiring a prescription, will not be impacted.

Thank you for your anticipated efforts in meeting all of the above invoicing policies and procedures.

If you have any questions about the above policies please refer to www.cvssuppliers.com.

Sincerely,



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CVS/pharmacy

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