

Purchase Agreement for DSD Suppliers of CVS Pharmacy, Inc.

This purchase agreement (this “Agreement”) is entered into by and between [Legal name of DSD supplier] (“Seller”) and CVS Pharmacy, Inc., a Rhode Island corporation, on its on behalf and on behalf of its relevant store subsidiaries and affiliates (“Purchaser”), and will be effective until terminated by either party upon thirty (30) days written notice to the other party. **The parties agree that the following terms and conditions shall apply to all purchases of merchandise by the Purchaser from the Seller, except where otherwise prohibited by local, state or Federal laws or regulations.:**

1. This Agreement, in concert with any other written and signed agreements between the parties, governs the terms pursuant to which Purchaser will purchase merchandise from the Seller, except that, in addition, merchandise shall conform to any affirmations of fact or promise, any descriptions and any samples or models shown or made to Purchaser, whether or not such affirmations, descriptions or samples are otherwise contained or referred to herein, and such affirmations, descriptions and samples shall constitute part of the basis of the bargain between Purchaser and Seller. In addition to any other warranties, express or implied, Seller warrants that the merchandise shall be merchantable and shall be fit for the purpose for which sold. In case of conflict between the terms and conditions of this Agreement and any terms or conditions on or in any confirmation, acknowledgment, sale or invoice form of Seller, or any correspondence pertaining to any of these or the merchandise, the terms and conditions of this Agreement shall control. No waiver of any breach of any terms or conditions of this Agreement shall be construed as a waiver of any subsequent breach of that term or condition or other term or condition of the same or different nature.
2. All goods are to be delivered F.O.B. Purchaser’s store and Purchaser incurs no liability until actual receipt. Acceptance of merchandise by Purchaser shall not constitute a waiver on the part of Purchaser of its rights thereunder.
3. Any merchandise rejected by Purchaser will be held, at Seller’s risk, subject to Seller’s instruction or at Purchaser’s option, returned to Seller without notice to Seller and at Seller’s expense and such return will be adequate notice of rejection of the merchandise.
4. Seller hereby represents, warrants and guarantees that the merchandise covered by this Agreement will be manufactured in compliance with, will meet the requirements of and will be properly labeled packaged and tested according to and otherwise conform in all respects with the following insofar as applicable to the merchandise: the Textile Fiber Products Identification Act, the Fur Products Labeling Act, the Wool Products Labeling Act, the Federal Hazardous Substances Labeling Act, the Flammable Fabrics Act, the Fair Labor Standards Act and any other applicable Federal, state, county or municipal law, and related ordinances, rules and regulations, and that a continuing or other guarantee, if provided for under such law or regulation, will be filed with the Federal Trade Commission or other appropriate governmental agency and an affirmation of such guarantee will appear on each invoice before payment of such invoice is required to be made without loss of discount.
5. Seller agrees to the following Purchaser policies related to date coded merchandise:
 - All DSD products must be delivered to Purchaser’s stores with the maximum available shelf life from production. In cases of extremely short-lived product (Dairy, Bakery, etc.) all product must be coded as saleable through the next scheduled delivery date at a minimum.
 - All DSD products will be rotated, all products will be reviewed for expiration or “best by” dates, and short-dated product pulled from the shelf by the Seller on each service delivery. Short-dated product is defined as any product that will expire or

whose “best by” date will pass prior to the next scheduled delivery from the Seller. The only exception to this requirement will be Sellers that have agreed in writing with the Purchaser that their program is a drop ship/non-service program, in which case Purchaser will be responsible for product rotation and pulling product from the shelf.

- All products removed from the sales floor will be credited out on the next delivery cycle for the Seller. In cases where credits must be in full case quantities the “less than case” product will be stored separately from saleable back stock and be clearly marked as outdated, non-saleable, merchandise. Such products returns will be accepted by Seller and credited to Purchaser as soon as a full case is achieved.
6. Seller warrants and agrees to protect, indemnify and hold Purchaser harmless from any claim, obligations, debts, demands, or liabilities and from any damage, deficiency, loss, cost or expense (including without limitation attorneys’ fees) arising from, relating to or connected with:
- (i) the use, possession or resale by anyone of any or all merchandise covered by this Agreement for real or alleged injuries to person or property, misrepresentations or breach of warranty, express or implied;
 - (ii) any real or alleged infringement of, or litigation concerning any trade name, trademark, patent, design, copyright, right of privacy or similar right in connection with any or all of the merchandise covered by this Agreement, other than any name or mark supplied by Purchaser; and
 - (iii) any violation of State or Federal laws, statutes or regulations regarding the manufacture and packaging of merchandise (including without limitation the requirement for expiration dating and other product information).
- In the event any such claims are made against Purchaser, Purchaser reserves the right, in addition to other right and remedies, to refuse further merchandise and/or payment of purchase price.
7. In the event of disruption or discontinuance of Purchaser’s operations, in whole or in substantial part, either temporarily or permanently, by reason of fire, flood tempest, earthquake, war, governmental restriction or regulation, act of God, embargo, labor trouble or strikes, or other causes of like or unlike nature beyond Purchaser’s control, Purchaser shall have the option of canceling undelivered merchandise in whole or in part.
8. Except as to the right to payment arising out of Seller’s due performance of its entire obligation, Seller shall make no assignment of any right arising hereunder and shall not delegate any duty owed by it to Purchaser and any such attempted assignment or delegation shall be wholly void and totally ineffective for all purposes, unless the prior written consent of Purchaser, signed by an officer of Purchaser, shall have been obtained. Purchaser reserves all of the rights and defenses of an account debtor as set forth in the Uniform Commercial Code. In any case involving a permitted assignment Seller shall promptly provide Purchaser with such evidence of assignment, as Purchaser shall request.
9. The rights and remedies specifically provided in any of the terms and conditions of this Agreement are in addition to and not in substitution of all other rights and remedies given or implied by law, in equity or otherwise, and, in addition to all other rights given by law, Purchaser shall have the right to recover for any non-conformity in any individual merchandise or an entire order, the loss of profit caused by such non-conformity or, at Purchaser’s option, refund of the full purchase price. Upon recovery of the price, the merchandise involved shall become the property of the Seller.
10. Seller shall file with Purchaser, where required, the manufacturer’s Compliance Certificate stating that each product conforms to each applicable product safety standard as is required by the Consumer Product Safety Act. During the term of this Agreement,

Seller shall, at its expense, carry and maintain: (a) Workers Compensation and Employers Liability Insurance meeting minimum statutory requirements, (b) Commercial General Liability insurance policy(s) including Broad Form Vendor's Coverage with a combined single limit of not less than \$5,000,000 per occurrence, (c) Automobile Liability Insurance with a combined single limit of not less than \$1,000,000 per occurrence. The policy shall be underwritten by an insurance company that carries an A- or better rating from A.M. Best. Each policy shall provide that (1) CVS Caremark Corporation and its Subsidiaries and Affiliates shall be named as an additional insured, (2) not less than thirty (30) days' prior, written notice shall be given to Purchaser in the event of any alteration or terms of such policy or of the cancellation or non-renewal thereof, and (3) such insurance will be primary insurance with respect to CVS Caremark Corporation and its Subsidiaries and Affiliates. Seller shall furnish Purchaser with a certificate of insurance evidencing coverage, and a certificate of insurance as evidence of renewal at least 30 days prior to expiration of each policy. The amount of such required insurance coverage under this section shall not limit Seller's obligations under this Agreement.

11. Any additional freight charges due to failure to ship in accordance with our instruction is for the account of the Seller.
12. Unless requested by Purchaser, Purchaser will not pay penalty freight charges on split shipments.
13. Packing slip must be enclosed with each shipment that matches the invoice for drop-shipped deliveries.
14. Cash discount and net payment terms due. Dating will be based upon receipt of merchandise date or invoice date, whichever is later.
15. Purchaser is an equal employment opportunity employer. Consequently, the parties agree that they will comply with Executive Order 11246, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 and the Vocational Rehabilitation Act of 1973, if applicable, and also that these laws are incorporated herein by this reference. The parties also agree that they will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or any other characteristic protected by federal, state or local law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by the signatures of their respective authorized representatives.

ACCEPTED AND AGREED TO:

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CVS Pharmacy, Inc.

[Legal name of DSD supplier]

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: Divisional Merchandise Manager

TITLE: _____

DATE: _____

DATE: _____