

TERMS AND CONDITIONS
(Import Suppliers)

1. This contract is intended as the final, complete and exclusive statement of the terms of the contract of the parties, except that 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, shall be fit for the purpose for which sold and shall be free of all defects. In case of conflict between the terms and conditions of this contract and any terms or conditions on or in any confirmation, acknowledgement, sale or invoice form of Seller, or any correspondence pertaining to any of these or the merchandise, the terms and conditions of this contract shall control. No waiver of any breach of any terms or conditions of this order 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 in accordance with the terms of sale as listed on Purchaser's purchase order.
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 merchandise covered by this order 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 all applicable laws, regulations, ordinances and guidelines including, without limitation: those relating to (i) the import, export, design, manufacture, testing, processing, labeling, holding, distribution and/or environmental safety or monitoring and any other role in the supply chain that may affect the safety, efficacy, purity, potency or performance of such merchandise, (ii) labor laws and regulations, and (iii) the laws and regulations listed on Schedule A attached hereto, 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. In addition, Seller hereby represents, warrants and guarantees that (i) no product, merchandise or other materials provided by Seller to Purchaser hereunder contains any Ozone Depleting Chemicals, as such term is defined in United States Internal Revenue Code section 4681(a)(2), and (ii) no Ozone Depleting Chemical was used as material in the manufacture or production of any product, merchandise or other materials provided by Seller to Purchaser hereunder. Seller shall promptly provide Purchaser with any documentation (including, without limitation, manufacturer letters that comply with U.S. Internal Revenue Service ("IRS") requirements for an acceptable manufacturer letter), data or other information the IRS may require in connection with the IRS's (a) independent analysis regarding whether the product, merchandise or other materials furnished hereunder contain Ozone Depleting Chemicals or whether any Ozone Depleting Chemicals were used in the manufacture or production of any product, merchandise or other materials furnished hereunder, and (b) determination concerning whether any taxes pertaining to Ozone Depleting Chemicals are owed by Purchaser to the IRS or any other governmental agency resulting from such products, merchandise or other materials (collectively, "ODC Taxes"). Notwithstanding anything contained herein to the contrary, the parties acknowledge and agree that in the event Purchaser pays the IRS or any other governmental agency any ODC Taxes (including any related interest and penalties) with respect to products, merchandise or other materials provided by Seller hereunder, Purchaser shall have the right to withhold from subsequent payments to Seller, whether in connection herewith or otherwise, an aggregate amount equal to the sum of such ODC Taxes and any related interest and penalties.
5. Seller warrants and agrees to protect, indemnify and hold Purchaser and its officers, directors, employees and other affiliates (collectively, the "Indemnified Parties") harmless from any claims of any type (including, but not limited to, bodily injury, property damage or personal injury), obligations, debts, demands, taxes (including any related interest and penalties), penalties or liabilities and from any damage, deficiency, loss, cost or expense (including without limitation attorneys' fees):
 - (i) arising from, relating to or connected with the use, possession or resale by anyone of any or all merchandise covered by this order for real or alleged injuries to person or property, misrepresentations or breach of warranty, express or implied, including, without limitation, any representation, warranty or covenant set forth herein;

(ii) arising from, relating to or connected with 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 order, other than any name or mark supplied by Purchaser;

(iii) arising from, relating to or connected with any violation of federal, state or local laws, statutes or regulations of the United States or the country of manufacture regarding the manufacture and packaging of merchandise (including without limitation the requirement for expiration dating and other product information); and

(iv) to the extent same are due to Seller providing to Purchaser hereunder products, merchandise or other materials that either (a) contain Ozone Depleting Chemicals or (b) were manufactured using Ozone Depleting Chemicals as a material in the manufacture or production process, or for which Seller fails to provide satisfactory evidence to the IRS that the products, merchandise or other materials do not contain Ozone Depleting Chemicals or that no Ozone Depleting Chemicals were used as a material in the manufacture or production process of such products, merchandise or other materials.

In the event any such claims are made against Purchaser, Purchaser reserves the right, in addition to other rights and remedies, to refuse further merchandise and/or payment of the purchase price. Seller also agrees to defend promptly and diligently, at Seller's sole expense, with attorneys reasonably acceptable to Purchaser, any claim, action or proceeding brought against an Indemnified Party or an Indemnified Party and Seller jointly or severally, arising out of or connected with any of the foregoing, and to indemnify and hold the Indemnified Parties harmless from any judgment, loss or settlement on account thereof. Seller's duty to defend the Indemnified Parties under this paragraph shall apply to any complaint or claim that makes allegations that, if proved, place the alleged breach of duty, whether in tort or contract, potentially within the purviews of the duties, responsibilities and obligations undertaken by Seller pursuant hereto. The provisions of this paragraph shall survive the expiration or termination of this contract. Shipping goods prior to receipt of written confirmed order on this form, as above provided, is entirely at Seller's risk and Purchaser is not liable for any loss resulting therefrom. Acceptance of such goods by Purchaser shall not constitute a waiver on the part of the Purchaser of its rights hereunder.

6. 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.
7. In the event of the disruption or discontinuance of Purchaser's business, 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 orders in whole or in part effective upon notice to Seller.
8. The rights and remedies specifically provided in any of the terms and conditions of this contract are in addition to and not in substitution of all other rights and remedies given by 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 installment or the 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.
9. Seller shall file with Purchaser, where required, the manufacturer's Compliance Certificate stating that all product conforms to each applicable product safety standards as is required by the United States Consumer Product Safety Act. In addition, Purchaser requires that Seller provide Purchaser with a Certificate of Insurance meeting the following requirements:
 - (i) The Named Insured must be the company with whom CVS Health Corporation [(or its affiliate)] is doing business (not parent company/broker name).

- (ii) Product Liability Insurance (PLI) on an ISO Occurrence form CG 00 01 12 07 or equivalent with a limit not less than US\$5,000,000 for each occurrence and a General Aggregate limit of not less than US\$5,000,000. Coverage [shall] include damages, costs, settlements, losses, suits, obligations and liability/defense expenses. Higher limits maybe required for high risk products.
- (iii) Coverage limits may be a combination of primary policy and an Umbrella or Excess policy.
- (iv) Policies shall be underwritten by an insurance company that carries an A- /Financial Size VII or better rating from A.M. Best or otherwise accepted/approved by CVS Health Corporation.
- (v) Provide that CVS Health Corporation and its subsidiaries and affiliates shall be named as an additional insured.
- (vi) Provide that not less than thirty (30) days' prior written notice shall be given to CVS Health Corporation (or its designated affiliate) in the event of any alteration of terms of such policy or of the cancellation or non-renewal thereof.
- (vii) Provide that such insurance will be primary and non-contributory insurance with respect to CVS Health Corporation and its subsidiaries and affiliates.
- (viii) Include a Waiver of Subrogation against CVS Health Corporation and its subsidiaries, affiliates, agents, officers, directors and employees for recovery of damages against these policies.
- (ix) Include coverage territory and jurisdiction which is worldwide including the United States of America, its territories, possessions and Puerto Rico.
- (x) Certificates [of Insurance shall] be provided electronically to the Risk Management Department of CVS Health Corporation at the following email address - www.cvscaremark_Cert_Ins@cvscaremark.com.

Seller shall furnish CVS Health Corporation (or its designated affiliate) with a Certificate of Insurance evidencing coverage and a Certificate of Insurance as evidence of renewal within seven (7) days after renewal of each policy. The amount of such required insurance coverage under this section shall not limit Seller's obligations under its contract with CVS Health Corporation (and/or its designated affiliate). Any insurance provided on a claims-made form shall have no prior acts exclusion. Seller shall maintain in effect such insurance during the entire term of the applicable contract with CVS Health Corporation or any designee, and for not less than twelve (12) months for product in Category I – III and not less than thirty-six (36) months for product in Category IV and above after the last date that any product is supplied to CVS Health Corporation or any designee. Notwithstanding the foregoing, CVS Health Corporation (or its designated affiliate) reserves the right to require higher insurance coverage at any time.

All correspondence and questions must be referred to Risk Coordinator, in care of CVS Health Corporation, One CVS Drive, Woonsocket, RI 02895, Mail Code 2180, Telephone number (401) 770-2285, Fax No. (401) 652-1281.

- 10. Purchaser's purchase order number on all invoices in duplicate, Purchaser's stock and IBM code number, Seller's item number, quantities, size, colors, and pack must appear on each and all invoices, packing lists, bills of lading, boxes and shipping tags.
- 11. Any additional freight due to failure to ship in accordance with Purchaser's instruction is for the account of the Seller.
- 12. Unless requested by Purchaser, Purchaser will not pay penalty freight charges on split shipments.
- 13. All bills of lading and other receipts must show actual scale shipping weights covering all shipments.
- 14. Each purchase order should be invoiced separately.
- 15. Packing slip must be enclosed with each shipment.
- 16. Cash discount, net payment terms due and the period for determining when an invoice shall be considered timely paid will be based upon receipt of merchandise date or invoice date, whichever is later. A complete listing of Purchaser's payment terms can be found in Section 2.6 of the Purchaser's General Supplier Policy located at www.cvssuppliers.com, which is incorporated herein by reference.

17. Seller agrees that shipments via trucking firms shall be separated and palletized (6MA pallets) by Seller on Purchaser's receiving dock at time of delivery.
18. Purchaser is an equal employment opportunity employer and is a United States federal contractor. 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 of the United States, if applicable, and also that these laws are incorporated herein by this reference.
19. The Seller agrees to develop and implement, within a framework consistent with the United States Customs Trade Partnership Against Terrorism (C-TPAT) recommendations/guidelines, a verifiable, documented program to enhance security procedures throughout its supply chain process. Where the Seller does not exercise control of a production facility, transportation or distribution entity, or process in the supply chain, the Seller agrees to communicate the C-TPAT recommendations/guidelines to its suppliers and transportation/distribution service providers and, where practical, condition its relationships to those entities on the acceptance and implementation of the C-TPAT recommendations/guidelines. More information regarding CVS/pharmacy and its C-TPAT requirements can be found at www.cvssuppliers.com. This contract, and its language in part, is derived directly from publications and materials listed at www.cbp.gov.
20. The Seller hereby conveys, assigns and transfers to Purchaser all rights, title and interest in and to all causes of action and any resulting proceeds Seller may have under the antitrust laws of the United States or the common law or the statutory law of any State arising out of or relating to Seller's purchase of the products which were subsequently resold to Purchaser and which are the subject of this contract. At Purchaser's request, Seller shall promptly execute an assignment of claims containing language substantially similar to the language outlined above as further evidence of such assignment. Should Purchaser take legal action with respect to the causes of action assigned hereunder, Purchaser shall be solely responsible for all costs and liabilities arising therefrom and shall hold Seller harmless in respect thereof.
21. The Seller agrees to participate in the Purchaser's Factory Audit Program. If a factory does not demonstrate satisfactory conditions, then the factory will be required to submit a Corrective Action Plan and will be re-audited by Purchaser or a third-party auditing firm, as determined by Purchaser in its sole discretion, at the Seller's expense. Purchase order payment will be put on hold until the factory is in compliance with the Purchaser's standards. More information regarding this program can be found in the Import Guide at www.cvssuppliers.com.
22. The parties 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.
23. Seller will not, directly or indirectly, offer, pay, promise to pay or authorize the payment of any money or thing of value to any government official or to any person, while knowing or having reason to know that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to a government official, for the purpose of: (i) influencing any act or decision of such government official, in his official capacity, (ii) inducing such government official to do or omit to do any act in violation of the lawful duty of such official, (iii) securing any improper advantage; or (iv) inducing such government official to use his influence with a government or instrumentality thereof in order to assist Purchaser or Seller in obtaining or retaining business for or with, or directing business to, any person. In the event it should come to Purchaser's attention that Seller has engaged or is engaging in any activity which Purchaser reasonably believes to be in violation of this paragraph, Seller shall immediately take such corrective action as Purchaser may request, or Purchaser may, in its sole discretion, terminate this Agreement without further notice.
24. All expenses incurred in conducting its activities hereunder shall be recorded fully and accurately in Seller's books and records and such books and records will be made available, upon request, to Purchaser, or any accounting firm it may designate, in order that Purchaser may verify that Seller is in compliance with its obligations under these Terms and Conditions.

25. This contract and any dispute arising hereunder or with respect hereto shall be governed by the laws of the State of Rhode Island, without regard to conflicts of laws principles. Any dispute arising hereunder or with respect hereto that so qualifies shall be brought and maintained solely in the U.S. District Court for the District of Rhode Island, and each party hereto expressly consents to the jurisdiction of such court for such purposes.

May 2014

APPENDIX A

LAWS AND REGULATIONS

- a. US Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd-1, *et seq*) and all foreign counterparts to such Act
- b. US Food, Drug & Cosmetics Act (21 U.S.C. §§ 301-399d)
- c. US Endangered Species Act (16 U.S.C. §§ 1531-1544)
- d. US Marine Mammal Protection Act (16 U.S.C. §§ 1361-1423h)
- e. US Environmental Protection Act (42 U.S.C. §§ 4321, *et seq*)
- f. US Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 *et seq*)
- g. US Toxic Substances Control Act (15 U.S.C. §§ 2601, *et seq*)
- h. US Controlled Substances Import and Export Act (21 U.S.C. §§ 951-971)
- i. US Executive Order 12924
- j. US Consumer Product Safety Act (15 U.S.C. §§ 2051-2084)
- k. US Textile Fiber Products Identification Act (15 U.S.C. § 70)
- l. US Fur Products Labeling Act (15 U.S.C. § 69)
- m. US Wool Products Labeling Act (15 U.S.C. § 68)
- n. US Federal Hazardous Substance Labeling Act (15 U.S.C. §§ 1261–1278)
- o. US Flammable Fabrics Act (15 U.S.C. §§ 1191-1204)
- p. US Fair Labor Standards Act (29 U.S.C. Chapter 8)
- q. European Union Directive 2002/95/EC or 2002/96/EC, or any other law, regulation, directive or order governing the permissible content of regulated materials
- q-1. US Fair Packaging and Labeling Act (15 U.S.C. §§ 1451-1461)
- q-2. Any state (of the United States) laws addressing the foregoing subjects

FOR SELLERS OPERATING IN THE PEOPLE'S REPUBLIC OF CHINA (PRC): LAWS AND REGULATIONS SPECIFIC TO THE PRC

- r. Enterprise Income Tax Law
- s. Individual Income Tax
- t. Interim Regulation on Value Added Tax
- u. Interim Regulation on Business Tax
- v. Interim Regulation on Stamp Duty
- w. Tax Collection and Administration Law
- x. Customs Law
- y. Foreign Trade Law
- z. Wild Animals Protection Law
- aa. Import and Export Tariffs Regulation
- bb. Administrative Regulation on the Import and Export of Goods
- cc. Implementation Regulation regarding Customs Administrative Punishment
- dd. Administrative Regulation on the Import and Export of Wild Animals and Plants
- ee. Regulations on the Reiteration of the Prohibition on the Export of Prisoner-Made Products
- ff. Administrative Regulation regarding Foreign Exchange
- gg. Administrative Measures on the Verification and Writing-Off of Export Proceeds in Foreign Exchange
- hh. Labor Law

- ii. Labor Contract Law
- jj. Labor Dispute Mediation and Arbitration Law
- kk. Interim Regulation for the Collection of Social Securities
- ll. Regulation on Work-Related Injury Insurance
- mm. Interim Regulation on Maternity Insurance
- nn. Administrative Regulation of Housing Fund
- oo. Regulation of Unemployment Fund
- pp. Anti-Unfair Competition Law
- qq. Interim Rules on Prohibiting Commercial Bribery
- rr. Anti-Monopoly Law
- ss. Rules on the Standard for the Declaration of a Concentration of Business Operators
- tt. Product Quality Law
- uu. Consumer Protection Law
- vv. Tort Liability Law
- ww. Criminal Law