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June 1, 2017

Dear Valued Supplier:

Our ultimate goal continues to be to reduce and improve the overall cost of processing unsaleables and returns for both the supplier and CVS. Working together we can achieve this objective. This letter provides information regarding changes CVS is implementing to further this goal.

As you are aware, CVS/pharmacy has a long standing relationship with Carolina Logistic Services ("Carolina Logistics") to process Front Store Unsaleable and Return Goods. In our continuing effort to improve the Reverse Logistics Processes, CVS has updated the attached policy which will be effective July 1, 2017. Also included are an updated Merchandise Credit Request Handling Fee and Return Authorization Policy for returns from CVS Distribution Centers along with a recommended Item and Case Package criteria document.

CVS fully embraces the concepts and cost components outlined in the original Joint Industry Report on Product Reclamation Centers (JIR) sponsored by the FMI, GMA, NACDS and benchmark data from our trade channel. We fully believe that the product reclamation process should provide an incentive for both CVS and our supplier partners to work together to reduce damages and returns and to fairly allocate the cost of the process based on each party's responsibility in the process.

ALL SUPPLIERS are to review this revised policy and return, within 30 days of receipt, a signed copy along with (a) acknowledgement of non-returnable regulated/hazardous product agreement (Through Third Party Processor) (All Suppliers); (b) acknowledgment of non returnable regulated/hazardous product agreement (Through CVS Pharmacy's Waste Management Program) (All Suppliers); (c) return option and unsaleable agreement (All Non-ARP/Allowance Suppliers); and (d) product withdrawal/supplier recall acknowledgement (All Suppliers). **FAILURE TO RETURN THESE DOCUMENTS WILL RESULT IN YOUR AUTHORIZATION TO CVS TO DETERMINE FINAL DISPOSITION OF THE PRODUCT. DEDUCTION IS THE DEFAULT PAYMENT TYPE.**

If you should have any questions, please contact:

Jesse Collins, Manager, Reverse Logistics

Email – Jesse.Collins2@CVSHealth.com , Phone **(401)770-2983**

Thank you for your prompt response to this policy.

Sincerely,

A handwritten signature in black ink that reads "Judy Sansone".

Judy Sansone Sr. Vice President, Merchandising & Store Pricing

Please complete and return the following via email or hard copy:

- (1) For all suppliers, this sheet;
- (2) For all suppliers, Acknowledgement of Non-Returnable Regulated/hazardous Product Agreement (Through Third Party Processor)
- (3) For all suppliers, Acknowledgment of Non Returnable Regulated/hazardous Product Agreement (Through CVS/Pharmacy's Waste Management Program)
- (4) For non-ARP/Allowance Suppliers, Return Option and Unsaleable Agreement
- (5) For all suppliers, the Product Withdrawal/Supplier Recall Acknowledgement

Return to:

CVS

One CVS Drive

Woonsocket, RI 02895

Attn.: Jesse Collins

Manager, Reverse Logistics

Email: ReturnGoodsMail@cvs.com

Company Name

Contact Person Name

Phone#

Signature

Print Name

Date

Email Address

Failure to return this form will result in authorization to CVS to DETERMINE FINAL DISPOSITION OF THE PRODUCT. DEDUCTION IS THE DEFAULT PAYMENT TYPE.

Table of Contents

<u>Section</u>	<u>Page</u>
Minimization of Waste.....	4
All Suppliers (including ARP/Allowance Suppliers) – Acknowledgment of Non-Returnable Regulated/hazardous Product Agreement (Through Third Party Processor).....	5
All Suppliers (including ARP/Allowance Suppliers) – Acknowledgment of Non-Returnable Regulated/hazardous Product Agreement (Through CVS/Pharmacy’s Waste Management Program).....	6
All Non-ARP/Allowance Suppliers – Return Option and Unsaleable Agreement (Through Third Party Processor).....	7-9
All Suppliers (including ARP/Allowance Suppliers) – Handling Fees for Returns in the Event of Product Withdrawals/Supplier Recalls	10
Summary of Handling Fees for Processing Unsaleables and Returns	11
Unsaleable Merchandise Policy Detail	12 – 14
Carolina Logistics Locations	13
Merchandise Credit Request Handling Fee Policy and Return Authorization Process	15
Packaging Criteria	16-17

Minimization of Waste

As a result of CVS Pharmacy's efforts to ensure continuing compliance with environmental regulations and focus on increased environmental sustainability, CVS Health is seeking to minimize waste generation at all locations to better conserve natural resources.

CVS Health sells a variety of products, some of which for various reasons may not ultimately be sold to customers or which may otherwise become damaged or unsalable. Some of these products may contain ingredients or exhibit characteristics which might, under applicable state and federal laws, require that they be managed as hazardous materials (Department of Transportation restricted) or regulated/hazardous in connection with their disposal.

It is CVS Health's goal to minimize waste and the use of landfills to the greatest extent possible. To facilitate this goal, CVS Health will no longer destroy unsaleable product except in extraordinary circumstances. In situations where product destruction is required, CVS will work with the supplier to mitigate costs to CVS and the Supplier.

ALL SUPPLIERS (INCLUDING ARP/ ALLOWANCE SUPPLIERS) – ACKNOWLEDGMENT OF NON RETURNABLE REGULATED/HAZARDOUS PRODUCT AGREEMENT (THROUGH THIRD PARTY PROCESSOR)

CVS reserves the right to determine final disposition of any unsaleable, non-returnable product supplied by an ARP/Allowance Supplier. Such disposition methods include, but are not limited to, liquidation and donation or disposal in the unlikely event it is required.

Further, in order to comply with any applicable hazardous material (Department of Transportation restricted) and regulated/hazardous waste management requirements, CVS reserves the right to seek your assistance in the expense and management of regulated/hazardous materials and waste. **Non returnable regulated/hazardous items processed through Carolina Logistics Services will incur a handling fee of \$2.85 per piece. Such fees will be deducted monthly. The supplier will be notified by invoice from Carolina Logistics Services of the total number of units processed and the total cost to process each item.**

This handling fee for nonreturnable regulated/hazardous items is in addition to, and does not alter in anyway, any fees that suppliers may incur in connection with a product withdrawal, recall or disposal in the unlikely event it is required.

Please acknowledge your receipt of this agreement by signing below.

Supplier Name: _____

CVS Supplier Number(s) _____

Address: _____

City, State, Zip Code: _____

Signature of company representative: _____

Title: _____ Date: _____

All Suppliers must return this form. Failure to provide a response within 30 days of receipt will constitute acceptance that CVS reserves the right to determine final disposition of the unsaleable product and Supplier's agreement to pay any handling fees for regulated/hazardous materials and waste.

ALL SUPPLIERS (INCLUDING ARP/ ALLOWANCE SUPPLIERS) – ACKNOWLEDGMENT OF NON-RETURNABLE REGULATED/HAZARDOUS PRODUCT AGREEMENT (THROUGH CVS PHARMACY’S WASTE MANAGEMENT PROGRAM)

In order to comply with any applicable hazardous material (Department of Transportation restricted) and regulated/hazardous waste management requirements, certain regulated/hazardous materials and waste cannot be processed through Carolina Logistics Services and, instead, must be handled through CVS Pharmacy’s regulated/hazardous/special waste management program at store level.

The cost of processing **non returnable regulated/hazardous items processed through CVS Pharmacy’s waste management program is shared by CVS and the supplier. Supplier will bear a cost of \$2.85 per piece for each item processed through CVS Pharmacy’s waste management program. Such fees will be deducted monthly. The supplier will be notified by invoice from CVS of the total number of units processed and the total cost to process the items.** For items that must be disposed of at store level but do not require special handling by our waste management program a \$.36 disposal fee per unit will be charged to the Supplier.

This handling fee for nonreturnable regulated/hazardous items is in addition to, and does not alter in anyway, any fees that suppliers may incur in connection with a product withdrawal, recall or disposal in the unlikely event it is required.

Please acknowledge your receipt of this agreement by signing below.

Supplier Name: _____
CVS Supplier Number(s) _____
Address: _____
City, State, Zip Code: _____
Signature of company representative: _____
Title: _____ Date: _____

All Suppliers must return this form. Failure to provide a response within 30 days of receipt will constitute agreement to pay any handling fees invoiced by CVS for the handling of regulated/hazardous materials and waste.

ALL NON-ARP/ALLOWANCE SUPPLIERS -- RETURN OPTION AND UNSALEABLE AGREEMENT (THROUGH THIRD PARTY PROCESSOR)

Please select one of the four options listed below by marking the appropriate box with an "X".

Supplier Name: _____
CVS Supplier Number(s) _____
Address: _____
City, State, Zip Code: _____
Signature of company representative: _____
Title: _____ Date: _____

NOTES:

Any handling fee for nonreturnable items is in addition to, and does not alter in anyway, any fees that suppliers may incur in connection with a product withdrawal, recall or disposal in the unlikely event it is required.

CVS will not honor shortage claims for product scanned and processed by any other third party reclamation company other than Carolina Logistics. Carolina Logistics will work with our suppliers if they wish to conduct post audits once the product has been processed and prior to shipping by Carolina Logistics. Onsite post audits have yielded a .2% error rate when comparing Carolina Logistics scan information to secondary 3rd party scan information.

Failure to provide a response within 30 days of receipt will constitute acceptance that CVS reserves the right to determine final disposition of the unsaleable product. Please return this form along with page 2.

Option I

Supplier requires all unsaleable or damaged products be RETURNED to supplier. An OPEN Return Authorization will be provided.

Supplier will issue an Open Return Authorization for all unsaleable merchandise processed.
CVS to pay freight.
Total cost to have product returned with open Return Authorization is \$0.44 per piece.
Payment Method: Deduct

Open Return Authorization Number _____
Contact Name _____
Ship to Address _____
Warehouse Contact _____
Warehouse Phone _____
Email Address for copy of invoice _____

In order to meet environmental and/or transportation related regulations, items that are leaking or broken will not be sent to CLS and will need to be managed as waste at the store. If an OTC item has 60 days or less until it reaches its expiration date upon arrival at Carolina Logistics, CVS retains the right to determine disposition of the product. An OTC item that is determined not to have sufficient dating remaining until expiration will not be shipped to Carolina Logistics for processing and the Vendor will be billed depending on vendor disposition and disposal costs. CVS reserves the right to bill for disposal from Carolina Logistics for all expired goods.

Option II

Supplier requires all unsaleable damaged products be RETURNED to supplier.

Supplier will issue a Return Authorization within 21 days of the invoice date. **If a Return Authorization and ship to address is not received within 21 days of the invoice date, product will be deducted and CVS will determine final merchandise disposition.**

CVS to pay freight.
Total cost to have product returned is \$0.47 per piece
Payment Method: Deduct

Contact for Return Authorization

Contact Name _____
Ship to Address _____
Warehouse Contact _____
Warehouse Phone _____
Email Address for copy of invoice _____

In order to meet environmental and/or transportation related regulations, items that are leaking or broken will not be sent to CLS and will need to be managed as waste at the store. If an OTC item has 60 days or less until it reaches its expiration date upon arrival at Carolina Logistics, CVS retains the right to determine disposition of the product. An OTC item that is determined not to have sufficient dating remaining until expiration will not be shipped to Carolina Logistics for processing and the Vendor will be billed depending on vendor disposition and disposal costs. CVS reserves the right to bill for disposal from Carolina Logistics for all expired goods.

Option III

Supplier uses 3rd party to process and PICK UP damaged or unsaleable product at Carolina Logistics Centers.

The damaged product will be sorted and held for 21 days after the invoice date. During this time the supplier may make an appointment to review their product. **If items are not reviewed within 21 days of the invoice date, product will be deducted and CVS will determine final merchandise disposition.**

Supplier is responsible for freight on pick up.
Total cost to have product reviewed/picked up is \$0.45 per piece.
Payment Method: Deduct

Contact for Review/Pick Up

Contact Name _____
Phone _____
Email Address for copy of invoice _____

In order to meet environmental and/or transportation related regulations, items that are leaking or broken will not be sent to CLS and will need to be managed as waste at the store. If an OTC item has 60 days or less until it reaches its expiration date upon arrival at Carolina Logistics, CVS retains the right to

determine disposition of the product. An OTC item that is determined not to have sufficient dating remaining until expiration will not be shipped to Carolina Logistics for processing and the Vendor will be billed depending on vendor disposition and disposal costs. CVS reserves the right to bill for disposal from Carolina Logistics for all expired goods.

Option IV

Supplier authorizes all damaged or unsaleable product to be DONATED to Feeding America or other qualified donation centers approved by CVS. In the event donation is not feasible, Supplier authorizes CVS to dispose of the product in its discretion (including but not limited to liquidation or disposal if required by law).

America's Second Harvest to pay freight.
Total cost for Option IV is \$0.36 per piece _____
Payment method: Deduct

Email Address for copy of invoice _____

All non-ARP/Allowance Suppliers must return this form, reflecting which option is selected. Failure to provide a response within 30 days of receipt will constitute acceptance that CVS has the right to determine final disposition of the unsaleable product and Supplier's agreement to pay any handling fees associated with the disposition.

In order to meet environmental and/or transportation related regulations, items that are leaking or broken will not be sent to CLS and will need to be managed as waste at the store. If an OTC item has 60 days or less until it reaches its expiration date upon arrival at Carolina Logistics, CVS retains the right to determine disposition of the product. An OTC item that is determined not to have sufficient dating remaining until expiration will not be shipped to Carolina Logistics for processing and the Vendor will be billed depending on vendor disposition and disposal costs. CVS reserves the right to bill for disposal from Carolina Logistics for all expired goods.

ALL SUPPLIERS (INCLUDING ARP/ ALLOWANCE SUPPLIERS) -- HANDLING FEE FOR RETURNS IN THE EVENT OF PRODUCT WITHDRAWALS / SUPPLIER RECALLS

Supplier Name _____
CVS Supplier Number(s) _____
Completed By _____
Date _____

Supplier requires all product subject to a product withdrawal or recall to be RETURNED to supplier.

Supplier will issue a Return Authorization within 21 days of the invoice date. **If a Return Authorization and ship to address is not received within 21 days of the invoice date, product will be deducted and CVS will determine final merchandise disposition for all product withdrawal returns.**

In order to meet environmental and/or transportation related regulations, items that are leaking or broken will not be sent to CLS and will need to be managed as waste at the store. If an OTC item has 60 days or less until it reaches its expiration date upon arrival at Carolina Logistics, CVS retains the right to determine disposition of the product. An OTC item that is determined not to have sufficient dating remaining until expiration will not be shipped to Carolina Logistics for processing and the Vendor will be billed depending on vendor disposition and disposal costs. CVS reserves the right to bill for disposal from Carolina Logistics for all expired goods.

CVS to pay freight.

Handling fee to process a return of items subject to a Product Withdrawal /Product Recalls return is \$0.40 per piece.

NOTE: This handling fee is in addition to, and does not alter in any way, any other fees suppliers may incur in connection with a product withdrawal, recall or disposal in the unlikely event it is required by law.

Payment method: Deduct

Contact Name _____
Phone _____
Email Address for copy of invoice _____

In order to meet environmental and/or transportation related regulations, items that are leaking or broken will not be sent to CLS and will need to be managed as waste at the store. If an OTC item has 60 days or less until it reaches its expiration date upon arrival at Carolina Logistics, CVS retains the right to determine disposition of the product. An OTC item that is determined not to have sufficient dating remaining until expiration will not be shipped to Carolina Logistics for processing and the Vendor will be billed depending on vendor disposition and disposal costs. CVS reserves the right to bill for disposal from Carolina Logistics for all expired goods.

All Suppliers must return this form. Failure to provide a response within 30 days of receipt will constitute agreement to pay any handling fees invoiced by CVS.

Summary of Handling Charges for Processing Unsaleables and Returns

RETURN TO SUPPLIER (Open RA Provided)-CVS to pay freight

Pre Damage (DPC)	Post	RCC Handling Charge	Total Cost per Piece
\$0.09	\$0.12	\$0.23	\$0.44

RETURN TO SUPPLIER (No Open RA Provided) –CVS to pay freight

Pre Damage (DPC)	Post	RCC Handling Charge	Total Cost per Piece
\$0.09	\$0.12	\$0.26	\$0.47

SUPPLIER TO ARRANGE for PICK UP OF PRODUCT AT EACH Carolina Logistics LOCATION – Supplier to pay freight

Pre Damage (DPC)	Post	RCC Handling Charge	Total Cost per Piece
\$0.09	\$0.12	\$0.24	\$0.45

DONATE/DISPOSAL AT CVS'S DISCRETION

Pre Damage (DPC)	Post	RCC Handling Charge	Total Cost per Piece
\$0.09	\$0.12	\$0.15	\$0.36

PROCESSING PRODUCT WITHDRAWALS /SUPPLIER RECALLS– CVS to pay freight

Pre Damage (DPC)	Post	RCC Handling Charge	Total Cost per Piece
\$0.09	\$0.12	\$0.19	\$0.40

REGULATED/HAZARDOUS MATERIAL FEE HANDLING FOR NON RETURNABLE PRODUCT THROUGH THIRD PARTY PROCESSOR -- ALL SUPPLIERS

			Total Cost per Piece
			\$2.85

REGULATED/HAZARDOUS MATERIAL FEE HANDLING FOR NON RETURNABLE PRODUCT THROUGH CVS PHARMACY'S WASTE MANAGEMENT PROGRAM AT STORE LEVEL -- ALL SUPPLIERS

			Total Cost per Piece
			\$2.85

NON REGULATED/HAZARDOUS HANDLING FEE FOR NON-RETURNABLE PRODUCT THROUGH CVS PHARMACY WASTE MANAGEMENT PROGRAM AT STORE LEVEL

			Total Cost per Piece
			\$.36

CVSHealth Unsaleable Merchandise Policy Detail

CVS/pharmacy recognizes that the process of handling unsaleable products is a shared responsibility of suppliers and retailers. We will apply the “generally accepted presumption for unsaleable responsibility” (GAPUR) as described in the Joint Industry Report on Product Reclamation Centers (JIR). Also in the spirit of the JIR, we will comply with the responsibilities of the distributor as follows:

- Billing only for damage, which is the agreed responsibility of the manufacturer. CVS will not bill for case cuts and empty packages.
- Operating the most efficient, low cost reclaim center(s) possible.
- Seeking only to recover reasonable offsets for operating expenses, and not to generate a profit.

For all unsalable products determined to be the responsibility of our supplier partners, CVS will use the following rate structure to invoice for compensation for the products and the costs of handling:

- Price Basis – CVS will use its current book cost on file before discounts and allowances as the basis for product compensation.
- Pre-Damage Handling (DPH) - CVS will use the category Direct Product Cost (DPC) rate of \$0.09 per consumer unit (package). This is based on a review of our different product categories and the handling of them and is consistent with the fees outlined in the JIR.
- Post -Damage Handling – CVS will use the rate for average-cost operators for Store-identified Damage as stated in the JIR. That rate is \$0.12 per consumer unit (package).
- Reclamation Center Handling (RCC) – CVS will use a weighted average rate across all product classes as described in the JIR for the disposition options of Donate, Return to Supplier and Supplier Pick Up. **These are the only disposition options available. The RCC rate is as follows:**

Donate - The RCC will be \$0.15 per consumer unit.

Return to Supplier

- If an OPEN RETURN AUTHORIZATION NUMBER is provided the RCC will be \$0.23 per consumer unit.
- If no Open Return Authorization Number is provided the RCC will be \$0.26 per consumer unit.

Hold for Supplier Pick Up

- If you require your product to be picked up, the RCC will be \$0.24 per consumer unit.
- **The above is subject to a minimum amount equal to list price and a maximum amount not to exceed 130% of list price.**
- For Suppliers who require their unsaleable product be returned to them, **if an Open Return Authorization is not provided a Return Authorization and Ship to Address need to be provided within 21 days of the invoice date or your product will be deducted and CVS will determine final merchandise disposition.**
- For our Suppliers who wish to review their product at the Carolina Logistics centers, the product is sorted and held for 21 days after the date of invoice from Carolina Logistics. During this time, the Supplier may make an appointment to review their product. **If the items are not reviewed within 21 days of the notification, your product will be deducted and CVS will determine final merchandise disposition.**

- **In striving to keep the reclamation process an efficient and cost effective system, CVS has instructed Carolina Logistics not to hold product amounting to under \$100 per Carolina Logistics location, per period (a period equals one month). The product will be deducted and CVS will determine final merchandise disposition.**
- For Suppliers who wish to have their product Donated, you will receive one monthly invoice detailing the items processed for all locations.

Unsaleable Merchandise Return Authorization Process

The following process will apply if you **do not** provide CVS with an OPEN RETURN AUTHORIZATION.

- Review Invoice copy that is emailed directly by Carolina Logistics on behalf of CVS.
- Place call to (401) 770-4594, fax (401) 770-3881 or email the CVS On-Site Coordinator and provide Return Authorization Number, Ship to address and Phone Number of location that product is being shipped to. **It is the Supplier’s responsibility to communicate the RA and ship to address to either Carolina Logistics Coordinator or CVS reverse logistics team.**
- Carolina Logistics will then generate a packing list that will include the Return Authorization Number and all pertinent invoice information.
- The packing list will be forwarded to the appropriate Carolina Logistics returned goods center once per week.
- The returned goods center will include the packing list with all shipments back to suppliers. This will virtually eliminate the need to track and reconcile RA’s for all parties.
- A deduction will be taken off the next available remittance to be made to the supplier.
- Any discrepancies need to be reported within 60 days of receipt of debit memo. Anything after 60 days will not be honored.
- The product will be shipped within two weeks of a Return Authorization being received at Carolina Logistics.

CLS Processing Locations:

Fullerton, CA	Allentown, PA	Lakeland, FL
Grand Prairie, TX	Atlanta, GA	
Houston, TX	Indianapolis, IN	

CVS Health Discontinued/ Product Withdrawal /Supplier Recall Merchandise Policy Detail

CVS/pharmacy is committed to expediting the return of discontinued, withdrawn or recalled merchandise to our Suppliers as quickly and efficiently as possible. In return we ask our Suppliers to process our requests as quickly as possible by conforming to the following guidelines:

- Merchandise Value – CVS expects full value at current book cost for all merchandise included in the return. It is not our policy to reduce the value of the merchandise by cash discounts or allowances.
- Handling Charges - **A handling fee of \$0.40 per consumer** unit will be assessed for each consumer unit included in the return of discontinued or withdrawn items. The handling fee is in addition to, and does not alter in anyway, other fees suppliers may incur in connection with a product withdrawal, recall or disposal in the unlikely event it is required.
- Payment – CVS will deduct off the next available remittance to be made to the Supplier.
- Any discrepancies need to be reported within 60 days of receipt of debit memo. Anything after 60 days will not be honored.

Product Withdrawal / Supplier Recall Return Authorization Process

- A Return Authorization Number, Ship to Address and phone number of location product is being shipped to must be provided upfront to CVS along with any special instructions for return.
- If a Return Authorization Number is not provided upfront, you will have 21 days after the initial request for Return Authorization has been made to provide one. **If a Return Authorization is not provided within the timeframe stated above, your product will be deducted and CVS will determine final merchandise disposition unless prior communication has occurred.**
- **If CVS requires Inmar to hold your inventory past the 21 day period from Invoicing, a \$20 per pallet handling fee will be invoiced to the vendor until the disposition has been resolved.**
- Carolina Logistics will generate a packing list that will include the Return Authorization Number and all pertinent Product Withdrawal /Recall invoice information. .
- Carolina Logistics will include the packing list with all shipments back to suppliers.
- **In striving to keep the reclamation process an efficient and cost effective system, CVS has instructed Carolina Logistics not to hold product amounting to under \$100 per Carolina Logistics location, per period (a period equals one month). The product will be deducted and CVS will determine final merchandise disposition.**
- All Discontinued / Product Withdrawal and Recall Returns from Carolina Logistics (Carolina Logistics) will be invoiced monthly, rather than at the completion of the return period.

**CVSHealth Merchandise Credit Request (MCR) Handling Fee Policy
and Return Authorization Process from Distribution Centers**

- A handling fee of \$0.15 per consumer unit plus the cost of goods will be assessed for returns of Outdated, Discontinued and Overstocked items that are held at our nineteen Distribution centers through our MCR process, unless a fixed percent of sales allowance has been agreed to by CVS. **This fee per consumer unit is less than the Joint Industry Report (JIR) average costs for warehouse processing of between \$0.126 (low) and \$0.170 (high) and supports the streamlined process of assigning costs appropriately throughout the Supply Chain.**

- CVS Health process for requesting Return Authorizations on MCR's for product held in CVS Distribution Centers is an electronic request via a weekly Excel Spreadsheet. The spreadsheet will contain the MCR's currently awaiting Return Authorization on returns for your company along with anything that has shipped the prior week. Return Authorizations for these full case returns need to be provided to the Reverse Logistic Coordinator noted on the file within 21 days of receipt. As CVS receives the Return Authorizations for these outstanding MCR's, the MCR number will fall off the next weekly file issued.
 - Please provide the following to the IA
 - Return Authorization Number
 - Ship to Address
 - Contact Name
 - Phone Number of location receiving product

- If a Return Authorization Number is not provided upfront, you will have 21 days after the initial request for Return Authorization has been made to provide one. **If a Return Authorization is not provided within the timeframe stated above, your product will be deducted and CVS will determine final merchandise disposition unless prior communication has occurred.**

Packaging Criteria

The following is a summary of CVS/pharmacy's item and case packaging criteria. A supplier's ability to supply items within these criteria will help ensure safe and successful distribution through the CVS supply chain.

Item Dimension Accuracy

- The supplier is responsible for communicating item/case/pallet configuration changes during the product's life at CVS. Changes should be communicated to the Supplier's inventory planner.
- Item quantities and manufacturers' case pack quantities must conform in all respects to the item quantities and case pack quantities specified on the purchase order (multiple items cannot be mixed in a single case). The supplier cannot change the item quantity or case pack quantity after the purchase order has been issued. Moreover, CVS may, at its option, refuse to accept delivery if item quantities or case pack quantities do not conform with purchase order requirements.

Item Criteria

- Items to be Distributed in Pieces/Eaches or pre-approved Inner Packs must Safely Fit into a CVS pharmacy Tote, the Standard Size of which is 19"L x 13.50"W x 8.50"H
- Items to be Distributed in Pieces/Eaches or pre-approved Inner Packs Should be Packaged to Avoid Damage/Leakage for Tote Travel (Items that Present Known Problems Include; Flip Top Lids, Trigger Bottles, Glass and Porcelain Breakage, and excessive Item Weight)
- The Supplier is Responsible to Ensure Their Items are Appropriately Packaged to be Distributed in a Tote (Selling Units Shrink Wrapped, Safety Seals, Proper Torque on Bottle Tops)

Inner Pack Criteria

- With regards to new items and/or packaging changes on existing items, when the item is distributed in pieces/eaches; CVS accepts no inner packs without prior approval from Lisa Tomasetti or Jennifer DiSumma (Contact information is below)
- When Inner Packs are approved the previously agreed upon style of inner must be used. The inner pack style includes those where the selling unit is readily accessible for piece picking and unit pricing.
- In all inner pack criteria, when the selling unit is piece/each pieced, the selling unit must be immediately accessible once the master case is cut open for order selection. Six sided inner pack styles or styles with product surrounded in plastic, cardboard, or bound together in any way are NOT acceptable.
- For more details about Inner Pack criteria, refer to the CVS Domestic Warehouse New Item Form / Quantity of Children example tab. <http://cvssuppliers.com/distribution-centersuppliers>
-

Case Criteria

- Maximum Case Dimensions: 28"H x 20"W x 30"L
- Minimum Case Dimensions: 3"H x 8"W x 8"L
- Cases/Displays Should Not Exceed 50 Pounds and should be a minimum of 3 pounds. Exceptions to this rule should be communicated to CVS/pharmacy Logistics Planning-Jennifer DiSumma at (401) 770-4124 (Jennifer.DiSumma@cvshealth.com) or Alisa Tomasetti at (401) 770 – 5595 (Alisa.Tomasetti@cvshealth.com)
- Case/Displays Should be a Minimum of 3 pounds.

Questions about Seasonal Case Labeling Requirements should be forwarded to:

- Sue Lussier at (401) 770-3084 (Suzanne.Lussier@cvshealth.com)
- Mike Tavares (401) 770-7879 (Michael.Tavares@cvshealth.com)

Pallet Requirements (See Ennis & Vero Beach DC Pallet Requirements below)

Pallet Requirements (See Ennis DC & Vero Beach DC Pallet Requirements below)

1. Suppliers must use 48" X 40" four-way hardwood pallets.
2. The pallet slats/boards must be 5/8" thick.
3. No pallets with broken boards will be accepted.
4. Extra cases on top layer must be secured with shrink wrap (do not place loose cases on top of pallets).
5. Pallet overhang is not accepted. If merchandise is oversized you must call the individual distribution centers for direction. See Attachment I for Distribution Center Information.
6. Pallets must be secured with shrink wrap or tape. Wrapping/tape is to be secured to both the cases and pallet.
7. Corner posts are required on product not shipped in corrugated cartons.
8. The merchandise must be sorted by stock keeping unit (SKU), style and color.
9. If a pallet has multiple SKUs, each SKU must be grouped together on the pallet.
10. CVS does not participate in a Pallet Exchange Program.

Ennis DC & Vero Beach DC Pallet Requirements:

1. When shipping to the Ennis DC or the Vero Beach DC, suppliers are required to ship on pallets that have bottom deck boards and are in **GOOD** condition.
2. Also note that the **Ennis DC & Vero Beach DC have zero tolerance for pallet overhang.** Failure to follow these important directives may result in the shipment being refused and a financial penalty.

Questions about Pallet Requirements should be forwarded to:

- Sue Lussier [401] 770-3084 [suzanne.lussier@cvshealth.com]
- Mike Tavares [401] 770-7879 [michael.tavares@cvshealth.com]

F. Ti-Hi Requirements

Each distribution center has different Ti-Hi requirements however all DCs accept 48" pallet stacks. Please contact the respective distribution centers for Ti-Hi information. See Attachment I for Distribution Center Information.

For Collect Freight please be sure to read Cubic Feet Requirements within *Section II - Collect Freight Routing Instructions*.