



**Supplier
Financial Relationship Policy &
Guidelines**

INDEX

1.0 CVS OBJECTIVE

2.0 GENERAL MERCHANDISE PAYABLE POLICIES

2.1	Supplier Set-up/Changes	2.12	Limited Purchase/Seasonal Suppliers
2.2	Factors		
2.3	Billing Media	2.13	New Suppliers/New Items
2.4	Merchandise Payment Terms	2.14	Supplier Correspondence
2.5	Non-Merchandise Payment Terms	2.15	Guaranteed Sales
2.6	Payment Methods	2.16	Product Return Process
2.7	Remittance Advice	2.17	EDI Transmission Types
2.8	Deductions	2.18	Supplier Press Releases
2.9	Post Audits	2.19	Price Protection
2.10	Administrative Processing Fees	2.20	Miscellaneous
2.11	Debit Balances		

3.0 MERCHANDISE PAYABLE POLICY – PO/Warehouse Receipts

3.1	Purchase Orders	3.4	Billing Requirements
3.2	Shipping Requirements	3.5	Disputed Items
3.3	Receiving		

4.0 MERCHANDISE PAYABLE POLICY – Direct Store Delivery (DSD)

4.1	Background	4.9	Product and Delivery Standards
4.2	Item of Record -SetUp/Maintenance	4.10	Supplier Drop-Shipment Procedures
4.3	CVS DSD Vendor Portal	4.11	Supplier Payment Inquiries
4.4	Supplier Security Form	4.12	Disputed Items
4.5	Delivery/Store Receiving	4.13	Proof of Delivery
4.6	Billing Requirements	4.14	Approved Charges
4.7	Billing Methods NLOP	4.15	Miscellaneous
4.8	Billing Methods LOP		

5.0 NON-MERCHANDISE PAYABLES POLICY

5.1	Billing Requirements	5.3	Deductions
5.2	Payment Terms	5.4	Taxes

6.0 IDENTIFYING INFORMATION, REFERENCES, & FORMS

6.1	Trade References	6.8	ACH Open Letter
6.2	Bank Reference	6.9	ACH Add/Change
6.3	Hotel References	6.10	ACH Merchandise Supplier Information
6.4	Identifying Information	6.11	AP Vendor Portal and ImageSilo
6.5	Key Bank Authorization	6.12	New Supplier Information Form & Instructions
6.6	Warehouse Locations		
6.7	Supplier Hold / Release Procedures		

1. CVS OBJECTIVE

CVS Health commits to paying for merchandise, services, and other assets at the negotiated costs, allowances, and agreed-upon terms.

The attached requirements are designed to inform suppliers of CVS policies and expectations regarding payments, billing standards, returns, disputes, and electronic data interchange (EDI).

By following the established procedures for billing, routing, and invoice delivery, as well as complying with CVS-issued purchase orders, organizations can facilitate a seamless and precise interaction with CVS payment systems.

CVS Health maintains the following objectives:

- Ensure accurate payment to suppliers for products and services provided to CVS.
- Guarantee timely payment to suppliers within the agreed-upon terms.
- Reduce operating costs associated with CVS accounts payable.
- Prevent supplier inquiries regarding payment statuses.
- Resolve supplier-initiated payment issues promptly.

For any concerns related to compliance with this document, suppliers may direct their inquiries in writing to the Director of Accounts Payable at CVS.

2. GENERAL CVS PAYABLES POLICIES

2.1 SUPPLIER SET-UP/SUPPLIER CHANGES

New Merchandise Supplier

The following items are prerequisites to any payment being made to a New Merchandise Supplier (Deliveries to Warehouse or Direct Store Shipments):

- All new merchandise suppliers will be onboarded with CVS using our merchandise management portal, STIBO. Information for Stibo may be found on www.CVSSuppliers.com website
- New merchandise suppliers will receive an invitation to self-on-board
- All merchandise suppliers must have the approval of Category Management (CM)
- The CM will assess whether this supplier will have limited or seasonal purchases that require measures to manage exposure related to receivable balances.
- Once the CM approves a new merchandise supplier, the supplier # will be created and the supplier will be notified. In addition, workflows to various teams will be initiated.

The following items are prerequisites to any payment being made to a New Non-Merchandise Supplier:

New Non-Merchandise Supplier (PO - Ariba):

New Non-merchandise suppliers that will be utilizing our PO system, Ariba, will need to work directly with our CVS Supplier Enablement team for supplier set up. Emails may be sent to the SupplierEnablement@CVSHealth.com mailbox.

New Non-Merchandise Supplier (Non-PO Ariba):

New Non-Merchandise suppliers that are non-PO will work directly with their CVS Business contact who in turn will work with Accounts Payable to have the supplier number created. The following will be needed to successfully onboard a non-merchandise supplier:

1. Completed New Vendor Set-up Upload Template (obtain from your CVS business contact)
2. Non-merchandise and service suppliers must supply their federal taxpayer ID number if incorporated, on Form W-9 (available from the CVS Tax Department at 401-770-2680).
3. Business Approval
4. Invoice copy or Remittance on Supplier Letter Head

Existing Merchandise Supplier Changes

Existing merchandise suppliers may initiate changes for the following thru our merchandise management portal, Stibo. Information for Stibo is found on www.CVSSuppliers.com website. Suppliers may make the following changes:

- Headquarter Address
- Remit Address (please include the information on a signed and dated letter on company letterhead)
- Contact information

- Bank Account changes/additions (please include on bank letterhead, a letter signed by a relationship officer and dated within a year, confirmation of the banking information)
- EDI information

Once a change is initiated by the supplier, it will be routed to the appropriate team to review and approve the change. Once approved, changes will be available to the supplier to view.

Existing Non-Merchandise Supplier Changes

For non-ARIBA suppliers, to initiate a supplier change, the supplier must work with their CVS business Partner. ARIBA suppliers must go through ARIBA to initiate an update. They can reach out to SupplierEnablement@cvshealth.com to initiate the change.

2.2 FACTORS

New Suppliers

Any new supplier factoring their receivables must notify CVS of that relationship. CVS requires a signed letter from the factoring company establishing the relationship and a signed authorization of assignment letter by a corporate officer from the supplier.

- Merchandise suppliers must submit this information in Stibo and upload both letters
- Non-Merchandise suppliers must submit this information to their Business Partner who will work with Accounts Payable to have the information updated.

Existing Supplier Changes

- Any existing supplier establishing a factor relationship or changing factors must notify CVS in writing 30 days prior to the effective date of the change. CVS requires a signed letter from the factoring company establishing the relationship and a signed authorization of assignment letter by a corporate officer from the supplier. Merchandise suppliers must submit this information in Stibo and upload both letters
- If a supplier is changing factors or disengaging with a factor, then CVS requires a discharge of factoring letter from the current factor when initiating a change.
- Non-Merchandise suppliers must submit this information to their Business Partner who will work with Accounts Payable to have the information updated.

2.3 BILLING MEDIA

- Our preferred method of billing for merchandise suppliers is via Electronic Data Interchange EDI 810 invoices.
- Visit www.cvssuppliers.com to obtain our mapping specifications. They can also be obtained by contacting our EDI Analysts at CVS at EDIAPMailbox@cv.com. They will assist you with scheduling test transmissions or help you with the mapping specifications.
- Shipments to our Distribution Centers or stores constituting ten or more stores per shipment, or one hundred or more transactions per week are required to be billed via EDI 810 Invoice.



- Merchandise suppliers not set up on EDI invoicing are required to manually fill out an Excel Invoice Upload Template. Suppliers should reach out to DSDVendorBillings@CVSHealth.com or WarehousePayables@CVSHealth.com to obtain the latest manual upload spreadsheet.
- CVS does not accept mailed invoices for merchandise shipments
- Invoice billings for our non-merchandise suppliers must be submitted thru Ariba or for non-Ariba suppliers, to the supplier's CVS Business Partner

2.4 MERCHANDISE PAYMENT TERMS

- Payment terms offered to CVS must be equivalent to the “most” favorable terms offered to any other customer.
- CVS will process payments based on the more favorable terms between those specified on the purchase order and those indicated on the invoice due date.
- Invoices will be paid based upon the latter of the invoice date or the financial receipt of goods into the Distribution Center or stores.
- Seasonal or Promo Purchase Orders may be subject to additional term dating.
- CVS reserves the right to add additional terms dating to new item orders.
- Terms do not begin when a trailer is dropped in the yard or at the consolidator.
- CVS generation of a payment, and subsequent mailing of a check or executing a bank funds transfer, will occur on the date due as calculated above, (with respect to the pay group), and will satisfactorily discharge CVS's performance of payment within stated payment terms.
- Invoices with due dates on weekends or holidays will be paid on the next scheduled business day (with respect to the vendor's associated pay group)
- “Cash in bank” payment terms used by suppliers are not recognized, nor accommodated within CVS payment systems.
- The Category Management Team, including VP of Merchandising and Accounts Payable Director must approve changes in supplier terms that negatively impact CVS.
- Suppliers shipping on purchase orders with terms that are more favorable than the supplier invoice terms will be held to the purchase order terms.
- For multiple receipts on one invoice the latest receipt date will be used to calculate the due date. For DSD statements, each invoice date is used to calculate the due date.
- Cash discounts will be applied for all invoices transmitted or received after the due date.
- Discounts will be taken on all invoices when the supplier's account is in a debit balance and will not be considered for repayment.
- CVS regards all cash discounts offered as earned.
- CVS does not pay finance charges, interest charges, tote charges or shell charges.
- CVS does not accept fuel surcharges or other delivery fees for product delivered to CVS Health retail stores.
- Anticipation discounting will be taken when offered by suppliers and meets CVS objectives.
- Occasionally, the Category Manager will authorize a supplier to be paid by Accounts Payable via the CVS Scan-Based Trading Programs, which would require a SBT agreement between CVS and Supplier. Periodically the Category Manager will

review sales information and authorize Accounts Payable to release invoices for payment to the supplier.

- Cash Discount Calculation on Gross Invoice Amount
 1. CVS requires that suppliers calculate the cash discount on their gross invoice amount prior to any deduction for promotion, off-invoice allowance, freight, damages/defective allowances and any other form of allowance that may be offered.
 2. This requirement ensures that CVS receives the full cash discount and off-invoice allowance negotiated with its suppliers.
 3. The method of payment for promotional, purchase, damages/defective or any other allowances should not affect the cash discount percentage negotiated with our suppliers.
 4. CVS is entitled to the full cash discount amount based upon gross merchandise values. The method of allowance payment (off-invoice vs. bill-back or check) should not negatively affect the cash discount negotiated.

2.5 NON-MERCHANDISE PAYMENT TERMS

- Standard Non-Merch Payment Terms are Net 90 days.
- Payment terms offered to CVS must be equivalent to the “most” favorable terms offered to any other customer.
- For Ariba Purchase Order invoices, CVS will process payments from the terms established on Ariba PO terms
- For Non-Ariba PO related invoices, invoices will be paid from the terms that CVS has established within the CVS Vendor Master File
- CVS generation of a payment, and subsequent mailing of a check or executing a bank funds transfer, will occur on the date due as calculated above, (with respect to the pay group), and will satisfactorily discharge CVS’s performance of payment within stated payment terms.
- Invoices with due dates on weekends or holidays will be paid on the next scheduled business day (with respect to the vendor’s associated pay group)
- “Cash in bank” payment terms used by suppliers are not recognized, nor accommodated within CVS payment systems.
- The CVS Business Partner and Accounts Payable Director must approve changes in supplier terms that negatively impact CVS.
- For Ariba Suppliers shipping on purchase orders with terms that are more favorable than the supplier invoice terms will be held to the purchase order terms.
- Cash discounts will be applied for all invoices transmitted or received after the due date.
- Discounts will be taken on all invoices when the supplier’s account is in a debit balance and will not be considered for repayment.
- CVS regards all cash discounts offered as earned.
- CVS does not pay finance charges, interest charges, tote charges or shell charges.
- CVS does not accept fuel surcharges or other delivery fees for product delivered to CVS Health locations.
- Anticipation discounting will be taken when offered by suppliers and meets CVS objectives.

2.6 PAYMENT METHODS

P-Card (VISA Settlement):

CVSHealth offers to suppliers, as the preferred method of payment, the ability to utilize the VISA charge card system, where funds will be credited to the supplier's VISA account. Benefits to this method of payment are improved timeliness (deposit and float time), increase accuracy, and fast resolution in reconciling your invoices. Questions can be referred to VirtualPayables@CVSHealth.com.

Supply Chain Financing (SCF):

CVSHealth offers Supply Chain Financing to our suppliers. The program allows suppliers to quickly convert their receivables into cash to support their business through a Supplier Finance Program offered in partnership with Wells Fargo Bank. Additional supplier terms for this program must be mutually agreed upon between CVS and the Supplier prior to going on the program. For additional information about participation in the program, please contact Wells Fargo's Supplier Adoption Team at 1-866-563-6618 or email WFCFsupplierfinance@wellsfargo.com.

Checks

CVS issues checks based on the assignment of a supplier's remittance supplier number to a pay group. Multiple ordering supplier numbers are linked to a single remittance supplier for issuing a single check. Invoices included on a check have calculated due dates through the day of the check run. All checks are mailed on the day the checks are printed (rare exceptions resulting from equipment failures can delay the presentation of checks until the following day).

Electronic Funds Transfer (EFT)

Processing payments via EFT is an available and preferred method of payment with additional days added to our expected check payment terms. EFT payments will be made via ACH (not same day wire transfers) and funds will be available in the supplier's bank on the next business day, based upon the following conditions:

- The ACH payment will be released to have funds available to the CVS supplier on the same day as existing check clearing occurs.
- Supplier EFT payment terms must not adversely impact CVS Days Payable Outstanding calculations versus existing check payment terms.
- For Merchandise Suppliers, payment due date calculation will be based from receipt of goods.
- CVS does not recognize cash in bank terms for ACH payments.

Letter of Credit

On an exception basis, CVS will agree to and open a bank Letter of Credit for merchandise where CVS is listed as the "Importer of Record" and takes delivery of the merchandise outside the territorial boundaries of the United States. The CVS issued purchase order must reflect as designation type of "LC" and must be coordinated through the office of the Director of Merchandise Imports for CVS. All terms and conditions for initiating a "draw" on an open Letter of Credit as stated in the body of the Letter of Credit document must be met prior to payment. All Uniform Commercial Code (UCC) standards in effective governing the administration of Letters of Credit are applicable.

Bank Open Account

CVS will agree to Bank Open Account payments for merchandise where CVS is listed as the “Importer of Record” and takes delivery of the merchandise outside the territorial boundaries of the United States. The CVS issued purchase order must reflect as designation type of “OA” and must be coordinated through the office of the Director of Merchandise Imports for CVS. All terms and conditions for initiating a “draw” on the bank open account must be met prior to payment.

Cash on Delivery (COD):

Payment via COD will not be made, except where required by law. CVS Health credit information and references are available through the Director of Accounts Payable office.

Dynamic Discounting:

C2FO is the solution provider for dynamic discounting; offering a platform that facilitates a market for buyers and suppliers to trade payment days for discounts. The platform offers flexibility for both CVS Health and our suppliers, providing the option to accelerate payment to suppliers in a collaborative, scalable and efficient manner. Benefits to suppliers include flexibility to receive payment sooner, no change to existing payment terms, and a common platform. Information regarding this program may be directed to the cvshealth.c2fo.com website.

2.7 REMITTANCE ADVICE**Check Payments:**

CVS can provide the following payment remittance types:

- Printed output mailed to remittance address with check
- EDI 820 Remittance transmitted via existing EDI infrastructure between CVS and the supplier.
- Excel spreadsheet downloaded via the CVS AP Vendor Portal (<https://APVendorPortal.CVSHealth.com>)

EFT Payments:

EDI 820 Electronic Remittance advice transmissions will be sent by CVS bundled with, and routed through bank systems with the EFT payment.

2.8 DEDUCTIONS**General Information – All Supplier Types:**

CVS deducts from supplier payment for the following, but not limited to transaction types:

- | | |
|--------------------------------------|------------------------------------|
| • Billing errors (pricing) | • Receiving shortages |
| • Collect freight with prepaid terms | • Supplier credit memos |
| • Administrative processing fees | • Supplier funding |
| • Allowances | • Receiving damages |
| • Supplier DSD usage fee | • Returns – see Return Good Policy |
| • Coupon deductions | • OTIF deductions |
| • Prior year audit deductions | • Overpayment errors |
| • Failure to comply charges | • Supplier Credits |

All supporting documentation for deductions will be communicated as follows:

- An EDI 812 transaction for invoice/receipt related deductions.
- Suppliers will be eligible to view their deductions on their remittance through our AP Vendor Portal.
- Suppliers may access detail of the deductions on ImageSilo or by contacting the responsible party directly or their CVS Business Partner.
- Suppliers must notify CVS in writing, within 60 days of the check date if they determine a charge back is not valid; otherwise the charge back will be deemed valid.
- Allowances and coupon deductions will be processed immediately following performance date, unless a formal contractual agreement states otherwise. If an agreement is reached to pay by check or credit memo, payment is expected within 30 days of invoice date or a deduction will be processed to your account and mailed to the supplier's pay address. Suppliers should contact their lock box to ensure that all paperwork is forwarded.
- A directory of deductions and contact list can be found on our CVS Website, www.cvssuppliers.com under Vendor Contact List.
<https://cvssuppliers.com/node/1036>

2.9 POST AUDITS

All suppliers will be subject to a review of all invoices paid in the current year plus two prior years. Discrepancies will be deducted from the next remittance and supporting documentation will be forwarded. Duplicate invoice payments will be exempt from this time period and may be set up for deduction at any time.

2.10 ADMINISTRATIVE PROCESSING FEES

- A fee may be assessed by Logistics. Refer to the CVS Freight Handling Instructions located on the CVS web site or email the Logistics area at Logisticsmail@cvs.com with any questions.
- A fee of \$25.00 will be assessed to all suppliers requesting stop payments when CVS is not at fault (check has been already cashed).
- CVS reserves the right to charge a supplier a processing fee for recurring deviations from the policies and requirements as listed that directly cause unnecessary processing expense, inaccurate supplier payments, inaccurate inventory recognition, and other research efforts.
- CVS reserves the right to charge a supplier a processing fee for disputes raised in the AP Vendor Portal where the POD is signed short and the deduction is valid, repetitive raising of duplicate disputes, deviations that may cause unnecessary additional efforts on CVS, etc.

2.11 DEBIT BALANCES

CVS requests repayment for funds owed CVS that are in debit balance. Payment is due within 30 days of CVS notification to the supplier. If payment is not made, an interest charge may be assessed. CVS will always exercise the right to offset payments with monies owed CVS from its suppliers.

2.12 LIMITED PURCHASE & SEASONAL SUPPLIERS

New Supplier – All Supplier Types:

CVS Finance and Category Management will communicate and determine a course of action on a supplier-by-supplier basis to minimize the CVS exposure to loss or the carrying of receivables balances within accounts payable. Actions include, but are not limited to:

- Holding all supplier payments until released by Category Management.
- Holding a dollar amount of supplier payments until released by Category Managers.
- Obtaining an agreement in writing from the supplier to reimburse CVS by check (or other payment method) for receivable balances within a defined timeframe.

CVS Finance and Category Management will document the decision on the existing CVS Hold and include criteria and performance goals for releasing held payments.

Existing Supplier – All Supplier Types

- CVS Finance will annually review limited purchase and seasonal suppliers to determine Category Management's future use of these suppliers, and will determine a course of action on a supplier-by-supplier basis to minimize the CVS exposure to loss or the carrying of receivables balances within Accounts Payable. Actions include those as listed above for new suppliers.

CVS Finance and Category Management will document the decision on the existing CVS Supplier Hold and include criteria and performance goals for releasing held payments.

2.13 NEW SUPPLIERS/ NEW ITEMS

All new suppliers may be placed on hold until Category Management approval of release. All new suppliers must follow New Item/Supplier Policy as set forth by CVS.

2.14 SUPPLIER CORRESPONDENCE

The CVS AP Vendor Portal should be utilized to view invoice and payment status, payment remittance information and to raise disputes for invoice related deductions for Warehouse and DSD invoices, including pricing, allowance, shortages and short payments.

You may reach out to Accounts payable via email using one of the appropriate email addresses as is relates:

- CVS Expense Payables, email APINQUIRIES@CVSHealth.com
- Aetna Expense Payables, email APCustomerCare@Aetna.com
- CVS Warehouse Accounts Payable (Invoice/Disputes), email WarehousePayables@CVSHealth.com
- CVS DSD NON-Live on Pay Accounts Payable (Invoice/Disputes), email DSDVendorBillings@CVSHealth.com
- CVS Live On Pay Accounts Payable (Invoice/Disputes), email LiveOnPay.resolution@CVSHealth.com
- CVS Coram and Caremark Supply Invoices and Inquiries, email CaremarkInvoices@CVSHealth.com
- General Ariba questions, email Aribaprocurementsupport@CVSHealth.com
- Additional department contacts can be found on the CVS website at www.cvssuppliers.com under Vendor Contact List at <https://cvssuppliers.com/node/1036>

- Deduction inquiry – contact required within 60 days of deduction on a payment is mandatory, clearly stating the nature of the supplier dispute, and your requested action regarding the deduction is essential.
- Open invoice inquiry – notification of an unpaid invoice is required within 6 months of the original invoice date. Merchandise Suppliers are required to supply a copy of the original invoice, and a signed delivery receipt constituting proof of delivery to CVS, before Correspondence associates can initiate the authorization to pay process. Non-Ariba Suppliers should submit the unpaid invoice to their CVS Business contact. Ariba Suppliers should submit the unpaid invoice thru Ariba.
- Payment status -. Can be viewed thru the CVS AP Vendor Portal.

Pricing/Allowance Discrepancies:

- Pricing/Allowances – We assume our purchase order pricing and allowances are accurate, if there are any discrepancies, we will require a price list and or deal sheets with dating to coincide with our purchase order date before payment can be made. Detail for required documentation to include can be found in the CVS AP Vendor Portal when raising a dispute under checklist.

General Rules & Limitations:

- Discrepancies under \$100.00 for **Warehouse** and \$50.00 for **Direct Store Deliveries** **will not be researched.**
- Payment Terms - acceptance of our purchase order constitutes acceptance of stated payment terms.
- Overdue invoices will not be researched unless they are 20 days overdue based upon CVS payment policy
- Correspondence for deductions should be brought to CVS's attention immediately for resolution.
- Check Remittance – All EDI capable suppliers must contact our EDI department at EDIAPMailbox@cvs.com to be set up to receive the 820 check remittance

2.15 GUARANTEED SALES

- Suppliers with “negotiated” guaranteed sales contracts would be responsible for all merchandise returns, handling fees and/or markdown liability.
- All merchandise delivered to CVS that is greater than the amount sold shall either be disposed or returned to the supplier for return credit or via a markdown deduction at the supplier's expense.

2.16 PRODUCT RETURN PROCESS

Warehouse Product Returns

- Please refer to the CVS Unsalable Merchandise Policy located at www.cvssuppliers.com
- In addition, a fee will be assessed to suppliers not referencing the CVS return number on their credit memos or check remittances.
- The returns policy as summarized has been written to ensure that credit issuance for returns from CVS stores is accurate, timely and provides an audit trail to ensure receipt of credit.

Store (DSD Receipt) Product Returns/Markdowns

CVS Responsibility

- Administrative processing and handling costs at CVS stores
- Transportation/freight of product (direct ships to suppliers)
- Deduction of supplier issued credit
- Deduction of credits based on store key_recs if no credit has been sent

General Provisions

- CVS's policy takes precedence over any isolated agreements
- All suppliers agree to CVS's returns policy once a delivery is made to the store
- Credits will be processed the same day of receipt
- CVS expects that all suppliers will accept product for return
- CVS expects credit for returns, damages, shortages at 100% of cost
- CVS expects credit for all markdowns related to unsalable merchandise (discarded due to health/other reasons-food, liquids, driver no pickups, stale dated and outdated product that cannot remain at store, product totally damaged)
- When evaluating returns, CVS will not be held to a minimum or maximum dollar amounts
- Credit for returns will be deducted on next remittance
- Supplier agrees to allow CVS Finance the right to review their return credit process

Valuation of Return

- Credits will be issued at the current cost on file at the time the store scans the product to be returned, shortages and/or marked down

Supplier Responsibility

- Credits will be issued in a timely manner – within 30 days of pickup/shipment. CVS reserves the right to deduct after 35 days if credit is not issued.
- Credit will be issued separately and not a reduction of merchandise or invoice
- Credit issuance date will be the date of the transaction (pickup or delivery)
- Full Case Returns –Preferred Method of processing Credits
- Return process must be auditable (sequentially numbered or specific key indicators for return authorizations). This will allow CVS and or supplier partner to identify returns with no credit issued.
- File of credits issued must be provided to CVS on an monthly basis which will be audited by CVS and reconciled with the supplier of any discrepancies
- A copy of the credit document (memo/slip) must be left at the store before any merchandise leaves the store.
- Supplier agrees to CVS returns/markdown policy
- Suppliers will remit a check to CVS when notified by CVS they are in debit balance (supplier owes CVS) within 10 days of the request

Soda Returns

All Soda returns for damages or outdates are to be processed one of two ways:

- Full Case Returns – Preferred Method of processing Credits
 1. Full case returns are defined as all one item (one UPC) or like items (same cost, size/20 oz, 2 liter, etc.)

2. The credit for a full case return would be processed and keyrec'd as normal (Supplier downloads DEX credit invoice through Zebra Printer or enters credit invoice through Supplier Invoice Entry on the RF Unit. Store then completes credit keyrec on RF Unit.)
- Swap Out
 1. A swap out is done for damages and/or outdates that do not equal a full case for authorized Planogrammed items only (Same Cost, Size)
 2. A keyrec would NOT be completed by the store in a swap out scenario.

DEX Credit Transactions

CVS will accept DEX EDI 894 (LOP) Return transactions at store when product is removed from CVS store inventories. For zone priced product, credits will be valued at the current CVS regular or promo cost as reflected in the CVS Pricing Portal application. All credits will be due immediately for deduction from the next payment to the CVS supplier. Returns are to be limited to stale-dated product or CVS authorized product withdrawals. The Category Manager, VPMM, Director of Accounts Payable, and Vice President of Finance, must agree to any deviation from standard terms as described in advance. Any deviation from standard terms without such prior agreement will be considered invalid and non-binding on CVS.

CVS Audits

- On a monthly basis, CVS will perform audits for the prior months return activity for missing credits or short credits due to quantity or pricing discrepancies
 1. Supplier statements are required each month to perform these audits
- Credits not issued by supplier will be automatically deducted with a \$15.00 surcharge per transaction
- CVS retains the right to perform post audits for a period of three years

Return Questions

- Questions related to Returns can be directed to the following mailboxes:

Deduction Reference #:	Email
Front Store Returns (R); Warehouse Returns (MCR)	VendorReconciliationRequests@cvshealth.com
RX MCR's; RX Unsaleables	Vendor.RXResponse@CVSHealth.com
CVS	RXReturnsCredits@CVSHealth.com
P (ending in FEE)	RXReturnsCredits@CVSHealth.com

2.17 EDI TRANSMISSION TYPES

The following Electronic Data Interchange (EDI) data transmission types are used within the CVS payment processes:

- EDI 997 Functional Acknowledgement - CVS has received an invoice transmission from the supplier. The 997 Functional Acknowledgement verifies that CVS has

received a transmission. This does not necessarily mean that CVS has accepted part or all the transmission fully.

- EDI 824 - Critical error on invoice notification – the supplier should correct error and retransmit invoice. If unable to re-transmit electronically, then it is the responsibility of the supplier's EDI department to notify the supplier's AR department that an invoice was not successfully received by CVS to be processed for payment.
- EDI 820 - Remit notification sent to supplier via EDI (only for check suppliers)
- EDI 812 – Charge-back memorandum
- EDI 810 - Invoice

2.18 SUPPLIER PRESS RELEASES

- All CVS Health suppliers' initiated press releases that reference, cite or imply a relationship with CVS Health must be approved prior to release through the CVS Health corporate communications group.
- Failure to comply with CVS requirements regarding Supplier Press Releases will result in a fine of \$100,000, and the possible termination of any existing businesses relationship with CVS Health.

2.19 PRICE PROTECTION

Price Protection Policy- Price Decrease

CVS requires price protection on all inventories when a price decrease is announced. Price protection is calculated based upon the differential between the current price and a new reduced price times the inventory quantities. Said inventory includes on-hand inventory of this item at CVS warehouses, stores and product in transit defined as follows:

- Warehouse inventory is a product received in the past 30 days since it is warehoused for 30 days on average before shipment to the stores.
- In-store inventory is calculated based upon the average store inventory. Eight weeks is average time for front store merchandise to be sold at store level. To calculate In-store inventory, we use 8-week average deliveries, of an item, using 365 days of deliveries prior to the price change. This may change if the item movement indicates less shelf time.
- In transit includes product that was ordered prior to price change date, but not received. Quantities will be based upon open POs.

In the event that any tariff, duty, or trade-related surcharge impacting the price of goods is reduced, repealed, suspended, or otherwise modified in a manner that results in a decrease in the total price of the goods to Supplier, Supplier agrees to promptly pass through such savings to CVS. Upon notice of any such change, Supplier shall notify CVS in writing of the adjustment and reduce the price of the affected goods accordingly. If Supplier fails to provide such reduction, CVS shall have the right to withhold amounts equal to the expected savings and/or seek other remedies at law.

Price Protection Policy- Price increases

Suppliers must provide written notice of any proposed price increases for products supplied to CVS no fewer than ninety (90) days prior to the effective date of such increase. Such notice must include sufficient documentation to justify price increase. CVS reserves the right, in its sole discretion, to accept or reject any proposed price increase. No price increase shall be effective or



binding upon CVS unless it has been expressly accepted by an authorized representative of CVS. If a supplier fails to provide proper notice or documentation in accordance with this policy, invoices will be paid at the previously agreed-upon pricing until proper notification and documentation is received and the ninety (90) day period has elapsed. By continuing to do business with CVS, Supplier acknowledges and agrees to comply with this policy.

2.20 MISCELLANEOUS

Stop Payments

A stop payment and re-issue of a check can be requested by suppliers if the check remains uncashed 14 days after the issuance date. All stop payment requests must be made in writing to CVS. If CVS determines that the supplier has cashed a check, then a \$25 fee will be charged. Once a stop payment request has been made to our bank, CVS will not be able to reverse the transaction. A \$25 fee may be charged by the supplier's bank if they try to cash a stopped check. The supplier should work with their CVS business partner to initiate a void and re-issue request.

3. MERCHANDISE PAYABLE POLICY – PO/Warehouse Receipts

3.1 PURCHASE ORDERS

All products for resale shipped to a CVS distribution center must conform to standards as specified in the CVS Logistics Guide, including shipment of the product in accordance with a CVS issued purchase order. Purchase orders will be provided to the supplier via EDI (850's). CVS payments will be based upon the information contained on the PO and any other agreements in effect. It is the supplier's responsibility to validate the unit prices, allowances, payment terms and item attributes upon receipt of the CVS purchase order, and to notify the Merchandise Planner of any discrepancies prior to shipment.

Note: A CVS purchase order indicates the expected item price to be paid by CVS, regardless of any supplier price changes before shipment of the merchandise. It is the supplier's responsibility to notify the Merchandise Planner of any price increases on a PO before the merchandise is shipped. CVS will not be responsible for paying for an item increase after the PO has been placed and shipped and the Merchandise Planner has not been notified of the change.

See other sections presented in www.cvssuppliers.com for more information.

3.2 SHIPPING REQUIREMENTS

A copy of the bill of lading, freight bill and packing slip must accompany the merchandise when delivery is made. Suppliers shipping merchandise collect with prepaid terms will be assessed a penalty in addition to the cost of the collect freight (see Administrative Processing Fees 2.10 and CVS Freight Handling Instructions issued by Logistics Department). The freight and penalty will be deducted from your next payment. Appointments for deliveries must be made in advance of the shipment in accordance with specific DC policies.

3.3 RECEIVING

CVS reserves the right to chargeback and deduct from suppliers for concealed damages and/or shortages although the freight bill was signed for without exception or signed with the notation "Said to Contain". CVS suppliers agree that a signed proof of delivery represents the acknowledgement of the receipt of carts, pallets or other shipping containers, and does not indicate, nor represent the acceptance in full of the contents of those shipping containers represented on packing lists or invoices.

3.4 BILLING REQUIREMENTS

It is the responsibility of the supplier to ensure that invoices are submitted to CVS timely and accurately.

CVS requires all invoices to be submitted to CVS within 1 day of shipment/customer pick up.

Invoices submitted after 1 year from invoice date may be denied for failure to submit timely invoices.

To ensure costs are minimized, billings must be based upon the following:

- One invoice per merchandise shipment representing the merchandise shipped.
- One CVS purchase order per invoice.



- Backorders must be billed on a separate invoice with a new invoice number and reference the original PO number.
- The invoice should reference a valid CVS receiving location.
- Even penny pricing at the unit level, up to the 3rd decimal.
- Invoice number can have a maximum of 16 digits.
- Invoice date must be the date the merchandise was shipped.
- The invoice must present the same payment terms as listed on the PO, including extended payment days, otherwise best terms application will be applied.
- The invoice must have the same price and allowances as listed on the PO. If there is a discrepancy, the supplier must notify the Category Manager to have all pricing and allowance issues corrected prior to the merchandise being shipped. Failure to do this could result in a supplier chargeback.
- CVS does not allow substitution of merchandise without prior consent from the Merchandise Planner.
- If the PO has an allowance, then the invoice must reflect the same allowance.
- Supplier invoices should not be netted down by the amount of the allowance unless otherwise negotiated by the Category Manager. It is essential that the CVS purchase order unit price and the supplier invoice price are exactly the same and represent the negotiated price of the product.
- The sum of the invoice detail must match the total amount of the invoice. For EDI invoices, discrepancies between the total and the detail will result in the invoice being rejected. The supplier should then correct the issue and submit a corrected invoice.
- Additional EDI 810 invoice requirements for merchandise suppliers as stated on CVS's published EDI requirements must be adhered to completely.

CVS requires all merchandise suppliers shipping merchandise to our warehouses to submit their invoices to CVS electronically, via EDI 810. EDI 810 requirements can be found on the CVSSuppliers.com website under 810 DC Invoice.

<https://cvssuppliers.com/node/761>

EDI 810 Invoices not containing the appropriate information will be rejected and the supplier will receive a critical error notification via the EDI 824 transmission detailing the reason for the failure of the invoice to load. It is imperative that these errors be corrected by the supplier and the invoice resubmitted in order for CVS Health to pay the invoice timely. Failure to correct failed invoice will result in the invoice not being paid. It is the responsibility of our suppliers to ensure that all transmitted invoices are successfully received and processed by CVS.

Suppliers that are not EDI capable but would like to send billings via EDI, may reach out to the CVS EDI Department (EDIAPMailbox@cvs.com) for further information. CVS Health works with third party suppliers which can convert invoice billings to EDI 810 Invoicing.

3.5 DISPUTED ITEMS

Disputed items should be forwarded to the appropriate area within CVS. The Vendor Contact List is available on the www.CVSSuppliers.com website under Vendor Contact List. The appropriate teams should be contacted regarding payments and deductions.

<https://cvssuppliers.com/node/1036>

Suppliers can raise a dispute for an invoice related deduction for merchandise delivered to our distribution centers thru our CVS Health Accounts Payable Vendor Portal. Suppliers should research all deductions prior to raising a dispute. It is the responsibility of the supplier to obtain signed POD paperwork from their carrier prior to raising a dispute to Accounts Payable. The Accounts Payable Team will work disputes in a FIFO manner and responses will be found in the comment section of the dispute. The use of automated BOTs is prohibited from raising disputes in the CVS AP Vendor Portal.

- Disputes for deductions should be raised in the AP Vendor Portal timely, preferably within 6 months of the deduction appearing on a payment.
- The deduction is related to an invoice. These can include pricing, shortage and allowances as well as cash discounts. The deduction will begin with a supplier's invoice # and end with a "V", "W", or "X"
- Shortage Disputes for Collect shipments must be raised within 9 months from the signed POD date. Failure to comply will result in the dispute being denied.
- Shortage Disputes for Prepaid shipments must be raised within 18 months from the signed POD date. Failure to comply will result in the dispute being denied.
- Disputes raised older than 2 years from the payment date will be denied for failure to comply with timely submission
- In order to raise a dispute, the AP Vendor Portal will prompt the supplier for necessary information, including but not limited to:
 1. Supplier's original invoice #
 2. CVS deduction #
 3. Amount of payback requested
 4. A clear explanation of what is being disputed and the reason why
 5. Supporting documentation to back the dispute (i.e., Signed POD, price list increase, contract, email correspondence, etc). Note, a POD signed STC, "Said to Contain" is not a valid/signed POD. Please reach out to your carrier to obtain the revised, signed POD.
- AP will send all pricing and allowance request paybacks to the Category Manager for approval of payback.
- AP will research shortages submitted within our guidelines with our warehouses to determine if payback is forthcoming.
- An administrative charge of \$25.00 will be assessed to suppliers raising invalid disputes for merchandise clearly signed short; deductions already repaid; disputes for duplicate chargebacks being raised for deductions, etc.
- CVS will follow a strict authorization of paybacks when the payback is large. This could include the authorization from the VP of Merchandising as well as the VP of Finance.
- Inquiries can be made to the WarehousePayables@CVSHealth.com mailbox

4. MERCHANDISE PAYABLE POLICY – Direct Store Delivery (DSD)

Suppliers who deliver to our store locations may be set up as a Live On Pay supplier or a Non-Live On Pay Supplier.

Live on Pay Suppliers are suppliers who submit their invoices at time of delivery to our stores either thru ASN, NEX, DEX or Manual Scan. Non-Live on Pay suppliers submit their invoices to CVS via EDI 810 or thru our Manual Excel Upload process.

4.1 BACKGROUND

- CVS Health has a significant segment of our Direct Store Delivery suppliers set up as Live-on-Pay
- CVS Health has transitioned all newsprint media suppliers' and distributors' payments for product to a third-party service supplier, iControl. This method of invoice processing and payment is a requirement for providing this class of product for resale to CVS stores.
- CVS Health retains the ability to receive and process Live-on-Pay and non-newsprint supplier invoices for receipt confirmation and payment.

4.2 ITEM OF RECORD – SETUP/MAINTENANCE

The item of record is maintained in the DSD Vendor Portal and is utilized to store item specific case pack and cost information. CVS uses this information to determine the accurate cost amount due for all authorized items at the time of delivery.

Suppliers must update and maintain case pack and item pricing through the CVS DSD Vendor Portal for their portal priced items. The Category Manager (CM) will approve or deny the product cost in advance of the effective date.

Cost changes for items not maintained in the CVS DSD Vendor Portal must be communicated to the Category Manager (CM) or Field Marketing Manager (FMM).

CVS reserves the right to charge back a Supplier due to Supplier failure to modify pricing.

CVS will not pay for unauthorized items left by the supplier. For an item to be defined as authorized, it must be an active item at the date of delivery for the receiving store.

Payment will be made based on quantities extended at the lower of the Supplier invoice cost or CVS cost on file.

4.3. CVS DSD VENDOR PORTAL

The CVS DSD Vendor Portal is the tool utilized by CVS to maintain the Item of Record (IOR) for all authorized products; including unit cost, promotional cost, and case pack size. All suppliers will be required to use this site to maintain accurate item of record for each authorized item.

Note: All items should be set up as invoiced/billed on the invoice. For example, if an item is invoiced/billed as a “Case”, the item should be set up as “Case” on the DSD Vendor portal with the correct number of units per case and as sold in the CVS store(s). If an item is invoiced/billed as a unit, the item should be set up as “Each” on the supplier portal.

The supplier must update and maintain case pack and item pricing (regular & promotional) on the CVS DSD vendor portal for their portal priced items. Regular cost changes must be communicated to the Category Manager (CM)/Field Market Manager (FMM) at least thirty (30) days prior to delivering the items. Promotional cost changes must be communicated at least six (6) weeks prior to delivering the items.

4.4 SUPPLIER SECURITY REQUEST FORM (DSD VENDOR PORTAL) ACCESS FORMS / COMMUNICATION OF CHANGES

- All suppliers must submit a completed Portal Security Access Form which can be located within the www.cvssuppliers.com web site.
- Suppliers will then be contacted with their IDs and passwords to login to the portal.
- Supplier Portal Training Documentation is available on the www.cvssuppliers.com web site.

https://cvssuppliers.com/sites/launch/files/2025-08/Supplier_Portal_Security_Request_Form_2024.docx

4.5 DELIVERY/STORE RECEIVING REQUIREMENTS

General receiving requirements

- Vendor representative (i.e. driver) is expected to be present at time of delivery. If vendors choose to use a third party distributor, CVS cannot guarantee accurate or timely resolution of disputes
- All Suppliers are required to deliver on time and in damage free condition.
 1. Late deliveries can cause monetary loss and negatively impact customer service.
 2. CVS Health reserves the right to charge-back and deduct from suppliers for concealed damages and/or shortages although the freight bill was signed for without exception or signed with the notation “Said to Contain”.
 3. We expect our Suppliers to dedicate their efforts to provide consistent on-time deliveries to our stores and/or retail support centers.
 4. CVS reserves the right to institute reasonable delivery windows.
- All Suppliers must ensure that food requiring temperature control for safety is delivered to CVS without having been subjected to significant temperature abuse during transportation.
 1. All Suppliers must comply with CVS Health’s policies and procedures related to verifying the temperature of food requiring temperature control for safety upon delivery to a CVS store, including providing confirmation of the temperature of the vehicle to personnel receiving the product.
 2. If a Supplier becomes aware of any indication of a possible material failure of temperature control or other conditions that may render food unsafe during

transportation, the Supplier must notify CVS Health personnel receiving the product.

3. CVS Health reserves the right to reject any product that personnel receiving the product have reason to believe has been subjected to temperature abuse or has otherwise been rendered unsafe during transportation.
- All Suppliers must ensure that food that is not completely enclosed by a container is transported in vehicles that are in appropriate sanitary condition for the transport of the food, i.e., in adequate physical condition and free of visible evidence of pest infestation and/or previous cargo that could cause the food to become unsafe during transportation.
- All shipments are to be delivered complete, and as ordered.
 1. We maintain a no back-order system and do not accept split shipments.
 2. Substitutions are not permitted unless authorized by the company's category team.
 3. All products delivered must have pre-approved UPC bar codes per the company's new item policy.
 - All products must have scanable UPC bar codes or the product will not be accepted.
 - No UPC bar codes may be changed without prior notification to the company's category teams.
 - CVS will only scan in the physical product delivered and will not scan product from any document not representing the actual detailed invoice.
 4. All incoming items are checked against the store's authorized item files. If an unauthorized item is identified, the DSD store receiver will reject it and not allow it into the store.
 - If an item is damaged, the DSD Receiver rejects it. The Supplier is required to immediately remove those items from the store. Any unauthorized items left by the Supplier will not be paid.

4.6 BILLING REQUIREMENTS

To insure costs are minimized, billings must be based upon the following:

- One invoice per merchandise shipment representing the merchandise shipped.
- The invoice should reference a valid CVS receiving store location.
- Even penny pricing at the unit level, up to the 3rd decimal.
- Invoice number can have a maximum of 16 digits.
- Invoice date must be the date the merchandise was delivered to the store.
- The invoice must present the same payment terms as listed on our CVS Supplier Management System (Stibo), otherwise best terms application will be applied.
- The invoice must have the same price as listed in our DSD Portal. If there is a discrepancy, the supplier must notify the Category Manager to have all pricing and allowance issues corrected prior to the merchandise being shipped. Failure to do this could result in a supplier chargeback/short payment.
- CVS does not allow unauthorized merchandise – all merchandise must be set up using the new item set up process before merchandise is shipped to the store.
- The sum of the invoice detail must match the total amount of the invoice. For EDI invoices for Non-LOP suppliers, discrepancies between the total and the detail will

result in the invoice being rejected. The supplier should then correct the issue and submit a corrected invoice.

- CVS requires its valued DSD suppliers to invoice only product of like classification and to not mix product with differing retail margin percentages on the same invoice.
- Invoices and credits for merchandise must be invoiced separately. Do not include credits for merchandise returns/damages on an invoice.
- Additional EDI 810 invoice requirements for merchandise suppliers as stated on CVS's published EDI requirements must be adhered to completely.
- Suppliers who ship alcohol and non-alcohol product must invoice alcohol items separately from non-alcohol items.

4.7 BILLING METHODS for Non-Live On Pay Suppliers– EDI/UPLOADS/PAPER INVOICES

It is the responsibility of the supplier to ensure that invoices and credits are submitted to CVS timely and accurately.

CVS requires all invoices and credits to be submitted to CVS within 1 day of delivery to the store.

Invoices submitted after 1 year from invoice date may be denied for failure to submit timely invoices.

EDI (Preferred)

The preferred billing method for deliveries made directly to stores is via EDI 810 Invoice transmission.

CVS requires all merchandise suppliers shipping merchandise to our store locations to submit their invoices to CVS electronically, via EDI 810. EDI 810 requirements can be found on the CVSSuppliers.com website under 810 DSD Invoice.

<https://cvssuppliers.com/node/616>

EDI 810 Invoices not containing the appropriate information will be rejected and the supplier will receive a critical error notification via the EDI 824 transmission detailing the reason for the failure of the invoice to load. It is imperative that these errors be corrected by the supplier and the invoice resubmitted in order for CVS Health to pay the invoice timely. Failure to correct failed invoice will result in the invoice not being paid. It is the responsibility of our suppliers to ensure that all transmitted invoices are successfully received and processed by CVS.

Suppliers that are not EDI capable but would like to send billings via EDI, may reach out to the CVS EDI Department (EDIAPMailbox@cvs.com) for further information. CVS Health works with third party suppliers which can convert invoice billings to EDI 810 Invoicing.

UPLOAD/EXCEL SPREADSHEET (Secondary Option)

All suppliers should be set up to submit invoices via EDI. If a supplier cannot submit an invoice electronically, then CVS will accept on an exception basis an upload spreadsheet. This should not be the primary method to submit invoices to CVS.

To obtain the manual Excel upload template and directions, email DSDVendorBillings@CVSHealth.

Future dated invoices are not accepted. The invoice date should match the date the merchandise is delivered to the store location.

HARD COPY INVOICES

Hard copy of invoices will not be accepted

4.8 BILLING METHODS for Live-On-Pay Suppliers

CVS will pay for all authorized LOP Direct Store Delivery merchandise received at negotiated costs, allowances, and agreed upon terms. All invoices and receipts are electronically generated based on ASN, DEX, NEX or Manual Scan. Payment will be based on:

- DEX/RF transmission – Agreed upon quantity delivered and received at store.
- ASN/NEX transmission – Agreed upon quantity delivered and received at store.
- Receipt of authorized items
- Cost determined by item of record per vendor portal

Requirements have been established to provide suppliers with CVS policies and expectations as they relate to supplier billing standards, deliveries, returns, payments, and disputes. Conformity to stated required methods of billing, routing and delivery of invoices, and subsequent payments is essential to ensure efficient and accurate interface to CVS payment systems, and the resultant payments to CVS suppliers.

CVS objectives are:

- Accurate Item of Record detail
- Accurate inventory position
- Receipt and payment of authorized product
- Accurate payment to suppliers for product to CVS.
- Timely payment to suppliers within agreed upon payment terms.
- Reduction of CVS accounts payable operating costs.
- Prevention of supplier inquiries regarding payments.
- Timely resolution of supplier initiated payment issues.

DEX, NEX, ASN & RF Receiver scan technology enables CVS to make payments to DSD suppliers based on quantities received and validated by our stores. Supplier and CVS receiver will agree upon the quantity and items received at store level. Total invoice quantity will be provided to the supplier representative via a Zebra printer receipt or DSD Detail Report by the store receiver at the time of delivery.

****Quantity cannot be disputed by the supplier after the supplier representative leaves the store.**

****If a DEX supplier leaves the store without properly completing the transaction, the transaction will be deleted systemically within forty-eight (48) hours without payment.**

4.9 PRODUCT AND DELIVERY STANDARDS

- All DSD products must be delivered to our 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 and short dated product pulled from the shelf on each service delivery. Short dated product is defined as any product that will expire prior to the next scheduled delivery from that supplier. The only exception to this will be suppliers where we have a drop ship/non-service program.
- Upon inspection, CVS store personnel will remove from the sales floor any DSD product that will expire within three days of the date of inspection.
- All products removed from the sales floor will be credited out on the next delivery cycle for the supplier. 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.
- All food that requires temperature control for safety shall be delivered to CVS stores in compliance with the requirements in Section 4.3 above.

4.10 SUPPLIER DROPSHIPMENT PROCEDURES

Drop shipment activity is defined as the delivery of product directly to the retail stores that would normally be shipped to a CVS Health Distribution Center. This activity is to be limited to “first to market”, new product rollout and seasonal needs and to fulfill merchandising opportunities.

In order to facilitate proper payment to the Supplier, the Category Management team must notify the Accounts Payable team of all Drop Ship Deliveries.

4.11 SUPPLIER PAYMENT INQUIRIES

Initial inquiries to determine why invoices were paid in the amounts reflected on CVS payment remittance advice can be obtained using the DSD Vendor Portal – Invoice Inquiry Link. Detail item level quantities and unit costs will be displayed in support of the CVS payment.

Occasionally, other deductions and payments may appear in CVS payment remittances. These transactions will be for repayment of supplier disputed transactions, charges for non-compliance with stated CVS policies, supplier issued credit memos, DEX credit return transactions, duplicate payment detection, adjustments based on audit findings, and other reasons.

4.12 DISPUTED ITEMS

Disputed items should be forwarded to the appropriate area within CVS. The Vendor Contact List is available on the www.CVSSuppliers.com website under Vendor Contact List. The appropriate teams should be contacted regarding payments and deductions.

<https://cvssuppliers.com/node/1036>

Suppliers can raise a dispute for an invoice-related deduction, missing credit, missing invoice or short/over payment for merchandise delivered to our stores thru our CVS Health Accounts Payable Vendor Portal. Suppliers should research all deductions prior to raising a dispute. It is the responsibility of the supplier to provide accurate back up when raising a dispute to Accounts Payable. The Accounts Payable Team will work disputes in a FIFO manner and responses will be found in the comment section of the dispute. The use of automated BOTs is prohibited from raising disputes in the CVS AP Vendor Portal.

- Disputes for deductions and missed invoices/credits should be raised in the AP Vendor Portal timely, preferably within 6 months of the deduction appearing on a payment.
- CVS will not research any discrepancy less than \$5 or 2% of the invoice.
- The deduction is related to an invoice. These can include over payments, short payments, pricing deductions, unauthorized items, shortage and allowances deductions as well as cash discounts. The deduction will begin with a supplier's invoice # and end with a "V", "W"
- Disputes raised older than 2 years from the payment date may be denied for failure to comply with timely submission
- For LOP suppliers, in order to facilitate the processing of missing invoices, CVS prefers a download of invoice detail in excel format along with the hard copy invoices.
 1. All paper/excel invoices with proper proof of delivery (POD) notations must be submitted thru the AP Vendor Portal. Please note that the paper/excel invoices must contain the following data elements:
 - Vendor Name
 - UPC #
 - Product Quantity Delivered
 - Product Cost
 - Allowances
 - Charges
 - Invoice Date
 - CVS Store # and location
 2. Paper invoices that do not meet these requirements cannot be disputed.
- To start a dispute, the AP Vendor Portal will require the supplier for information, such as:
 - Supplier's original invoice #
 - CVS deduction #
 - Amount of payback requested
 - A clear explanation of what is being disputed and the reason why
 - Supporting documentation to back the dispute (i.e., invoice copy, Signed POD, price list increase, contract, email correspondence, etc)
- CVS will not pay for product left in store without a valid POD

- AP will send all unauthorized items, pricing and allowance request paybacks to the Category Manager for approval of payback. It is the responsibility of the supplier to work with the Category Manager to ensure that items are set up correctly.
- Unpaid invoices/credits and short payments over 1 year from invoice date will be sent to our Category Manager for review.
- AP will research shortages submitted within our guidelines to determine if payback is forthcoming.
- An administrative charge may be assessed to suppliers raising invalid disputes for unauthorized items not approved; deductions already repaid; disputes for duplicate chargebacks being raised for deductions, etc.
- CVS reserves the right to charge the supplier a research fee for disputed payments
- CVS will follow a strict authorization of paybacks when the payback is large. This could include the authorization from the VP of Merchandising as well as the VP of Finance.
- Inquiries can be made to the DSDVendorBillings@CVSHealth.com mailbox

4.13 PROOF OF DELIVERY

These Proof of Delivery definitions do not imply CVS acceptance of any supplier cost. CVS will apply the lower of supplier invoice cost or CVS cost when making payment to the supplier for product received.

Valid proof of delivery is defined as one of the following documents:

- System generated Zebra printer printout. (DEX and RF transactions)
- In the event the Zebra printer fails, a DSD Detail report can be printed from the manager's office. The transaction must have a status of "**Completed**" to be valid.
- POD Document generated at time of receipt by the store for ASN receivings
- At time of delivery, if CVS systems are offline and the DEX and/or RF check-in process can not be completed, the CVS' receiver will receive product through the Register Proof-of-Delivery process whereby the store receiver provides a register receipt as proof of delivery. The register POD transaction is an exception to our standard receiving process. CVS Accounts Payable must receive the original register POD within thirty (30) days from the transaction's delivery date for the supplier to receive payment.

****For examples of valid POD, please visit the DSD Vendor Portal at <http://vendorportal.cvs.com>**

4.14 APPROVED CHARGES, FEES, & BOTTLE DEPOSITS

- ☐ CRV
- ☐ Chicago Water Tax
- ☐ West Virginia Crown Tax
- ☐ Crate Charges
- ☐ Baltimore Container Tax
- ☐ Environmental Fees
- ☐ Bottle Deposits as applicable per the following states: CA, CT, DE, HI, IA, MA, ME, MI, NY, OR, VT
- ☐ Recycle or State Charges (Fees/Taxes)

4.15 MISCELLANEOUS

Taxes

All invoices will be reviewed by the TAX Department to determine appropriateness of tax.

Freight Charges

Freight charges should not be included on invoices.

Fees

CVS reserves the right to issue processing charges for each paper invoice received as a result of supplier equipment failure or repeated failure to follow prescribed DEX policies and procedures.

Audits

Occasionally the CVS Accounts Payable team may request paper invoices to audit invoices that may have failed one or more of the CVS invoice edits. Failure to respond to the request(s) may result in short payments.

NON-MERCHANDISE PAYABLES POLICY

5.1 BILLING REQUIREMENTS

General Rules - All Supplier Types

To ensure costs are minimized, billings must be based upon the following:

- One invoice per order representing the merchandise shipped or service performed.
- Suppliers are responsible for working with and providing an invoice to the CVS Health Business Partner, that manages and holds the vendor relationship, for payment processing in a timely manner. The CVS Business Partner is responsible to review and approve invoices submitted to CVS Accounts Payable prior to payment processing.
- A valid Invoice must contain the following:
 1. Invoice or Reference Number (no longer than 16 characters)
 2. Invoice Date (date the service was performed)
 3. Invoice Total Amount Due
 4. Remit To Details, i.e. Make Payable To: Name and Address
- The Company default terms are set at Net 90 Days, when there is not a signed contract in place specifying otherwise.
- A Vendor ID must be established and is required for generating payments.
 1. The CVS Health Business Partner will work with the Supplier and our Internal Business Department(s)/Teams as appropriate.
- Expense Vendors can view their invoice information and payment details by accessing the Vendor Portal.
 1. For registration and access to the CVS Invoice/Payment Portal, please visit the following website: <http://apvendorportal.cvshealth.com>
- Additional questions regarding their invoices and payments may be directed to their Business Partner.

5.2 PAYMENT TERMS

Payment terms offered to CVS must be equivalent to the “most” favorable terms offered to any other customers.

- CVS generation of a payment, and subsequent mailing of a check or executing a bank funds transfer, will occur on the date due as calculated above, and will satisfactorily discharge CVS’s performance of payment within stated payment terms.
- So-called “cash in bank” payment terms used by some suppliers are not recognized, nor accommodated within CVS payment systems.
- CVS regards all cash discounts offered as earned. This also applies when the supplier’s account is in a debit balance and will not be considered for repayment.
- CVS does not pay finance charges or interest charges.

5.3 DEDUCTIONS

General Information – All Supplier Types:

CVS deducts from supplier payment for the following transaction types:

- Supplier credit memos
- Prior year audit deductions
- Overpayment errors

5.4 TAXES

All invoices are reviewed by the CVS Tax Software to determine appropriateness of tax.

6.0 IDENTIFYING INFORMATION & FORMS

6.1 TRADE REFERENCES

Cardinal Health

7000 Cardinal Place
Dublin, OH 43017
Dave Joy
Manager – New Accounts
(614) 553-3172 Telephone
(614) 652-7616 Fax
Please fax request for credit reference

PepsiCo National Group Credit Manager

5340 Legacy Drive
Plano, TX 75024
Brandi Bradshaw
(800) 789-2626 Telephone

Teva Pharmaceutical

1090 Horsham Road
PO Box 1090
North Wales, PA 19454-1090
Ed Tokmajian
(215) 641-6982 Telephone
(215) 591-8805 Fax
Please fax request for credit reference

6.2 BANK REFERENCE

Key Bank

Commercial Credit Inquiry Group
P.O. Box 9950
Canton, OH 44711-0950
Account Number – furnished upon request
(330) 489-5394 Telephone
(330) 489-5440 Fax

6.3 HOTEL REFERENCE

Omni Hotel - Providence

One West Exchange Street
Providence, RI
John Carter
(401) 598-8000 Telephone

Providence Marriott

Charles & Orms Street
Providence, RI 02904
Amanda Conway
(401) 553-0410 Telephone (401) 421-8006 Fax

6.4 IDENTIFYING INFORMATION

Federal Tax ID – Pharmacy	05-0340626
Federal Tax ID – Corporate	05-0494040
D&B Number – Woonsocket Prescription Center	06-231-2574
D&B Number – Caremark RX Inc	80-441-4852
D&B Number – CVS Health Corporation	00-133-8912
D&B Number – CVS Pharmacy, Inc	17-672-9788

Incorporated November 7, 1969 in Rhode Island
Type of Business - Retail/ Sales (Drug Chain)

David Joyner: President & CEO CVS Health
Brian Newman: EVP & CFO CVS Health

6.5 KEY BANK AUTHORIZATION

CVS/Health “CVS” authorizes KeyBank to provide banking information per the authorization request below.

I authorize _____ to receive the below information.

- Date Opened
- Type of Account
- Average Balance

<u>CVS Authorized Signer</u>	<u>Phone number</u>	<u>Signature/Date</u>
Tracy L. Smith, SVP Treasurer or	(401) 770-5097	_____
Craig Allocca, Executive Director or	(401) 770-3515	_____
John Simpson, Executive Director AP	(401) 770-8784	_____



6.6 WAREHOUSE LOCATIONS (With Federal Tax Identification #)

Knoxville, TN

10008 Parkside Dr.
Knoxville, TN 37919
06-1630381

North Smithfield, RI

150 Industrial Dr.
N. Smithfield, RI 02896
05-0340626

Fredericksburg VA

500 / 501 Landsdowne Rd
Fredericksburg, VA 22408
05-0501913

LaHabra, CA

777 S. Harbor Blvd
La Habra, CA 90631
05-0340626

North Augusta, SC

111 Revco Rd.
N. Augusta, SC 29841
06-1630379

Ennis, TX

700 CVS Drive
Ennis, TX 75119
05-0340626

Patterson, CA

2400 Keystone Pacific Pkwy
Patterson, CA 95363
94-1059121

Honolulu, HI

2270 Hoonee Place
Honolulu, HI 96819
94-1059121-Closed

Somerset, PA

322 Revco Rd.
Somerset, PA 15501
06-1630373

Bessemer AL (closed)

2600 Morgan Rd.
Bessemer, AL 35023
05-0501914

Lumberton, NJ

1 Berry Dr.; PO Box 560
Lumberton, NJ 08048
05-0340626

Orlando, FL

8525 Exchange Dr.
Orlando, FL 32809
20-0998041

Woonsocket, RI

108 Mason St.
Woonsocket, RI 02895
05-0340626

Indianapolis, IN

7590 Empire Dr.
Indianapolis, IN 46219
06-1630375

Conroe, TX

301 S Trade Center Blvd
Conroe, TX 77385
05-0340626

Novi MI

43800 Genmar Dr.
Novi, MI 48375
06-1630378

Woonsocket, RI

400 Founders Dr.
Woonsocket, RI 02895
05-0340626

Vero, FL

2577 98th St
Vero Beach, FL 32966
20-0998055

Ontario, CA

CVS Bulk
1060 N. Wineville Ave
Ontario, CA 91764
94-1059121

Phoenix, AZ

125 South 67th Ave
Suite 105
Phoenix, AZ 85043
05-0340626

Chemung, NY

FS/OTC
1 CVS Drive
Waverly, NY 14825
05-0501917

Chemung, NY

RX/Cig
White Wagon Rd @ Route 17
Chemung, NY 14825
05-0501917

Kapolei, HI

1025 Opakapaka
Kapolei, HI 96707
94-1059121

Navarro, FL

9400 N.W. 104 Street
Medley, FL 33478
20-0998055

Kansas City, MO

10651 North Congress Ave
Kansas City, MO 64153
05-0340626

Jersey City

134 Van Keuren Ave
Jersey City, NJ 07306
05-0340626



6.7 SUPPLIER HOLD / RELEASE PROCEDURES

A request to place a supplier on hold may come from any of our business areas. Inquiries on supplier holds may be directed to APIquiries@CVSHealth.com. The hold will not be released by Accounts Payable until authorization is received by the CVS business area responsible for the account.

6.8 ACH OPEN LETTER

CVS

**One CVS Drive
Woonsocket, RI 02895**

Dear Valued Supplier:

CVS has the capability to transmit supplier payments electronically. All payments will be made directly to your bank via an ACH transaction (next day payment). CVS will transmit the EDI/EFT 820 in a Corporate Trade Exchange (CTX) format, which is the payment and remittance bundled together. The supplier's bank will be responsible for forwarding the EDI 820 remittance advice to the supplier along with the notification that funds were received.

Back up for all deductions will be available in ImageSilo or sent by EDI812 for EDI capable vendors.

In order to be eligible for ACH payments, the following requirements need to be met:

- Supplier must be currently transmitting invoices to CVS via EDI, excluding non-merchandise
- ACH transfers will only be made to a bank within the US
- CVS does not make ACH payments to 3rd party suppliers
- IAT statement must be reviewed and signed
- Supplier provides new or better payment terms to CVS to remain mail float neutral
- A voided check copy or bank verification letter, dated within a year from submission request must be included

Benefits to the supplier

- There are no "lost" checks
- No additional mail time
- ACH payment and remit information will be sent directly to supplier's bank.

6.9 ACH PAYMENT ADD OR ACCOUNT CHANGE REQUEST – Non-Merchandise Suppliers

If you are interested in receiving your payments via ACH, reach out to your CVS Business Contact for our ACH form. Upon completion, submit the form back to your CVS Business Contact and CVS will review and initiate contact as to when you will receive your payments via ACH.

If you have specific questions regarding the 820 remittance file, please see our website at www.cvssuppliers.com or contact our EDI email EDIAPMailbox@cvs.com with any specific questions regarding the ACH and the 820 remittance.

6.10 ACH PAYMENT ADD OR ACCOUNT CHANGE REQUEST – WAREHOUSE/DSD

All additions or changes to a supplier's banking information must be done using the Merchandise Management System – Stibo. Access to Stibo can be found on our www.CVSSuppliers.com website page.

- ACH payments can only be requested for banks within the United States.
- CVS does not make payments to 3rd party suppliers
- A letter on bank letterhead that is signed and dated by the bank's relationship officer must be uploaded into stibo. The bank letter must be dated within a year of the request.
- Only suppliers whose IAT is checked within Stibo can apply for ACH payments.
- For the financial safety of our suppliers, CVS reserves the right to request additional information as needed.
- Failure to provide sufficient information may result in a delay/refusal in having the account set up on ACH payments.

International ACH Transaction Verification:

Merchandise Suppliers: The following details will be accessible in STIBO for the supplier's agreement.

Non-Merchandise Suppliers: The CVS Business Partner will include the following information in the ACH packet sent to suppliers.

International ACH Transaction Rules

In connection with certain processing requirements for electronic supplier payments that are sent to a financial institution outside of the United States, CVS Health Corporation needs to know whether our payments to you are being forwarded from a United States financial institution to a financial institution in another country.

The particular rules are referred to as “International ACH Transaction (IAT) rules” and are pursuant to requirements of the Office of Foreign Assets Control.

In order for CVS Health Corporation to comply with the IAT rules and the applicable United States laws, you are requested to complete the “IAT Payee Affirmation Statement” below and



return it with the ACH application. Failure to complete and promptly return the Affirmation Statement will make you ineligible to receive payments electronically.

IAT Payee Affirmation Statement

I represent that I have all requisite power, authority and capacity to execute this IAT Payee Affirmation Statement on behalf of my business. In addition, I acknowledge that electronic payments to the designated account for my business must comply with the provisions of United States law, as well as the requirements of the Office of Foreign Assets Control (OFAC).

Please check one of the following:

_____ I affirm that, regarding electronic payments that CVS Health Corporation may remit to the financial institution for credit to the account that I have designated, the entire payment amount **is not** subject to being transferred to a foreign bank account.

_____ I affirm that, regarding electronic payments that CVS Health Corporation may remit to the financial institution for credit to the account that I have designated, the entire payment amount **is** subject to being transferred to a foreign bank account. I understand that any payments that may be remitted to my business in the future may be labeled with “IAT” as the standard entry class. I also understand that CVS Health Corporation may elect to remit future payments to my business in any manner that it deems necessary to comply with the IAT rules.

Please note that by signing this IAT Payee Affirmation Statement, you agree to notify CVS Health Corporation promptly in the event that the selection above is no longer correct.

Signature

Date

Print Name and Title

6.11 CVS HEALTH ACCOUNTS PAYABLE VENDOR PORTAL/IMAGESILO

The CVS Health Accounts Payable Vendor Portal is a platform for our CVS Health Suppliers to:

- View information regarding invoices and payments.
- Raise Warehouse disputes for invoice related deductions (supplier's invoice # ending with a "V", "W" or "X")
- Raise Direct Store Delivery (DSD) disputes for invoices that are short paid or have a related deduction (supplier's invoice # ending with a "V" or "W")

CVS suppliers can self-register for the CVS AP Vendor Portal by using the link below and selecting the Register Button at the top of the page:

<https://apvendorportal.cvshealth.com/index.html>

To ensure the security of this site, CVS maintains stringent policies and standards related to access rights. Only approved authorized users may access the CVS AP Vendor Portal. CVS has the right to deny/revoke access to the CVS Health Accounts Payable Vendor Portal for any reason, including but not limited to the following:

- Inactivity of more than 6 months
- Sharing of user ID
- BOT automation
- Third Party automation services
- Non-compliance of CVS Policies
- Users with personal emails such as Yahoo, Gmail, etc.
- Users with emails that do not reflect the company name. Note, Factors and Brokers may obtain access with written and signed consent from the supplier.

CVS Supplier # is a five digit, numeric or alpha/numeric character code starting with a 1, 2 or 3. Supplier # is found on any payment remittance advice from CVS.

CVS Health Access Acknowledgement and Terms of Use

In accepting CVS Health Accounts Payable Vendor Portal access, you agree on behalf of your organization to the following terms and conditions:

1. Any and all information, data, applications and computer infrastructure, which you are exposed to, either unintentionally or intentionally, are the property of CVS Health and considered confidential. At no point in time during, or after your access has been revoked, will you discuss this with any individuals or organizations without written authorization from CVS Health General Counsel.
2. A User ID, password and 2 Factor Authenticator will be assigned to the person(s) noted below. This ID and its password and 2 Factor Authenticator are for this person only and as such, not to be shared with any other individuals in, or outside of your organization.
3. Access restrictions are granted based on CVS accounts payable department and your company's executive approving your representatives' access.

4. All downloading of information other than as available within the application must be authorized in advance.
5. Probing CVS Health internal network servers and routers is forbidden.
6. Unauthorized access to CVS Health internal network servers and routers is forbidden.
7. Failure to comply with these requirements could result in the following:
 - a. Voiding of all CVS Health contractual obligations.
 - b. Loss of remote access privileges.
 - c. Criminal and/or Civil Action against you and your organization.

ImageSilo:

ImageSilo is a website where our Merchandise Retail suppliers (Warehouse and DSD) can view and print deductions for:

- Invoice Shortage Deductions
- Invoice Pricing Deductions
- Invoice Allowance Deductions
- Unauthorized Invoice Charge Deductions
- Co-op Deductions
- MCR Deductions
- Profit Recovery Deductions

When a user registers for the CVS Health AP Vendor Portal and is approved, they will be given access to ImageSilo. A separate user ID and Password will be sent to the requestor's email upon approval and set up.

To ensure the security of this site, CVS maintains stringent policies and standards related to access rights. Only approved authorized users may access information on ImageSilo. CVS has the right to deny/revoke access to ImageSilo for any reason, including but not limited to the following:

- Inactivity of more than 6 months
- Sharing of user ID
- BOT automation
- Third Party automation services
- Non-compliance of CVS Policies

6.12 NEW SUPPLIER INFORMATION FORM & INSTRUCTIONS

<https://cvssuppliers.com/document-library/new-supplier-setup>