

demand for payment, which Pharmacy or Pharmacy's agent will pay in full within fifteen (15) calendar days. Administrator may offset any amounts owed to Administrator by Pharmacy or Pharmacy's agent against any amounts due to Pharmacy by any Administrator affiliate. Under no circumstances will Pharmacy or Pharmacy's agent be entitled to receive any payments other than the Amount Due Pharmacy for the Program under which a Pharmacy is processing the transaction on behalf of the Eligible Patient.

3. Program Participation and Reimbursement. Program participation and reimbursement terms, including those set forth in the applicable program-specific Exhibit, may be revised by Administrator, at any time, in its sole discretion, becoming effective upon publication at <http://mckesson.com/mprstnc>.

4. Pharmacy Remittance. Administrator may elect to remit payment to Pharmacy by check or electronic funds transfer in its sole discretion. The method of payment may be subject to change at any time.

5. Proprietary Notices. Pharmacy understands and agrees that Pharmacy is not granted any rights, title, interest or licenses in any trademarks, service marks, product names, or business names of Administrator, its Customers, or any affiliates thereof.

6. Communications. Pharmacy will restrict its communications about Programs to those specifically authorized by this Agreement or direction from Administrator. Pharmacy will not advertise the Programs or any waiver or reduction of co-pays or other patient liability in connection with this Agreement without Administrator's express, written approval.

7. Adverse Events or Product Quality Complaints. You agree to report any adverse event information or product quality complaints to the Customer or manufacturer of the Covered Drug in accordance with applicable law.

8. Insurance. Pharmacy will maintain a general liability insurance policy, a separate products insurance liability policy and a separate pharmacist professional liability insurance policy, with each policy having limits of at least one million U.S. dollars (\$1,000,000.00) per occurrence and three million U.S. dollars (\$3,000,000.00) in the annual aggregate for personal injury and property damage, bility, 3,000,000.00) .4005C>50003>2004C0051>40003>200460052>7005160051>5004

12. Termination. Pharmacy understands and agrees Pharmacy's participation in any or all Programs may be terminated at any time, with or without cause. Notwithstanding the foregoing, Pharmacy will no longer be eligible to participate in the Program or Programs, or receive any Payment, if Administrator, in its sole discretion, determines Pharmacy has failed to comply with the terms of this Agreement with respect to any Program or Programs. Administrator will not be liable to Pharmacy or any third party for damages resulting from termination of the Program, or Pharmacy's participation in it. Pharmacy may terminate its participation in the Program at any time by giving ten (10) days' prior, written notice to Administrator. If Pharmacy continues to submit Program transactions to Administrator after giving Administrator notice of termination, Pharmacy's notice will become null and void and of no further force or effect. Administrator will process such transactions at the then current Amount Due Pharmacy calculation in effect for the Program. Sections 5, 7, 8, 9, 10, 11, 13, 15 and 16 of this Agreement, and any other provisions which by their terms are intended to survive, will survive the termination of the Program and Pharmacy's participation in it.

13. Audit and Review Rights. Administrator or its designee will have the right upon prior written notice, and during normal business hours, during the term of this Agreement and for a period of two (2) years thereafter, subject to applicable law (including those governing confidentiality), to audit or review Pharmacy's records as they pertain to Pharmacy's compliance with this Agreement. In the event that any such audit or review reveals any erroneous amounts paid to Pharmacy, Pharmacy agrees to pay Administrator any such amounts within fifteen (15) calendar days of written demand by Administrator. Pharmacy shall provide access to records or requested records within a reasonable period of time not to exceed fifteen (15) business days, unless a longer period of time is agreed to by the Parties in writing. The rights provided in this Section will be cumulative and in addition to any other rights or remedies that may be available to Administrator.

14. Compliance. Failure by Pharmacy to

EXHIBIT 1

LOYALTYSCRIPT® Card Program Participation and Reimbursement Terms

1. Program Participation. Throughout the term of the Program, whenever an Eligible Patient presents his or her LOYALTYSCRIPT® Card to You along with a valid prescription for a Covered Drug (as defined in this paragraph below), You agree: to submit Your claim to McKesson using BIN #610524. If You do not transmit claims electronically, submit a Universal Claim form to McKesson at P.O. Box 52090, Phoenix, AZ 85072. Administrator may, at the request or direction of one or more Customers, revise the list of Covered Drugs at any time and from time to time in its discretion. The LOYALTYSCRIPT® Card is not valid for use with any other prescription drug discount card, or manufacturer's coupon for the purchase of Covered Drugs. The LOYALTYSCRIPT® Card is not valid for any prescriptions reimbursed under any federal health care program, including Medicare or Medicaid, or any similar state assistance program. The LOYALTYSCRIPT® Card is void where prohibited by law, void outside the United States of America and Puerto Rico, or where assigned or transferred.

2. Adjudication.

a. Primary Transaction Adjudication. "Primary Transaction" will mean a transaction that is submitted to Administrator where Administrator acts as the primary payor of benefits because the Eligible Patient is not covered by any third-party prescription benefit plan. All Primary Transactions must comply with the following procedures in dispensing Covered Drugs under the Program. Pharmacy will:

i. Transmit an electronic transaction request in accordance with the then current NCPDP transaction format;

ii. Accept a calculation for pricing of WAC plus an amount, plus a dispensing fee and a transaction fee or the Pharmacy's U&C, plus any applicable sales tax, in each case, less any patient copayment amount all of which will be visible to pharmacy when the Primary Transaction is adjudicated.

iii. Collect the co-payment, if any, as directed by the online system.

b. COB Transaction Adjudication. "Coordination of Benefits" will mean the transactions submitted by pharmacy to Administrator that include the coordination of benefits or other payment segment of the current NCPDP transmission format. Administrator will accept Coordination of Benefit ("COB") transactions from Pharmacies that transmit such a transaction in accordance with the then current NCPDP transaction format.

i. Administrator will pay to Pharmacy any applicable discount amount as indicated by Administrator's system when the transaction is adjudicated less the patient's co-pay amount plus a transaction fee, all of which will be visible to pharmacy when the transaction is adjudicated

ii. Collect the co-payment, if any, as directed by the online system.

c

