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*SUPPLY AGREEMENT*

BETWEEN

OMNICARE, INC.
2800 Chemed Center
255 East 5th Street
Cincinnati, OH 45202
Att: Dan Maloney, Director of Purchasing

REDACTED

Referred to as: "Manager"

AND

Johnson & Johnson Health Care Systems Inc.
425 Hoes Lane
P.O. Box 6800
Piscataway, New Jersey 08855-6800
Att: Contract Administration

REDACTED

Referred to as "Supplier"

DATE: March 31, 1997

TERM: From: April 1, 1997
To: March 31, 2000

CONTRACT NUMBER: [Number to be assigned]

SIGNATURES

MANAGER

By Dan Maloney 4/1/97

Name: Dan Maloney Date

Title: Director of Purchasing

SUPPLIER

By Dennis A. Sherrill 4/8/97

Name: Dennis A. Sherrill Date

Title: Corporate Account Director

By Sanjay Shah 4/8/97

Name: Sanjay P. Shah Date

Title: Manager, Business Analysis

## *INTRODUCTION*

***Agreement.*** This Agreement is an agreement for the supply of certain Products listed herein. Furthermore, under this Agreement, Supplier shall pay Manager a performance rebate for select Products, designated by Supplier as Strategic Products and that are listed, at minimum, "Acceptable" on all formularies used by Manager in the management of drug Benefits. Supplier will pay rebates to Manager in amounts based on the utilization of the Products by the patients covered under Benefits managed by the Manager. This Agreement supersedes all prior agreements between Manager and Supplier or any of its affiliates with respect to any of the Products covered by this Agreement, and is comprised of the following documents:

Cover Page
Introduction
General Terms and Conditions
Administrative Terms and Conditions
Affiliate Specific Terms and Conditions
Performance Measurement / Rebate Eligibility
Performance Tiers/Rebate Percentages
Full Product Put-Up Lists (Exhibit A)
Defined Markets (Exhibit B)
Format for Electronic Data Submission (Exhibit C)
Schedule of Qualifying Active Intervention Programs and Appropriate Utilization Programs (Exhibit D)
*List of Manager-owned Closed Pharmacies [Participating Sites] (Exhibit E)
*List of Prime Vendors (Exhibit F)
Certification of Own Use (Exhibit G)

* To be furnished initially and updated subsequently with Utilization Reports

***Parties.***

***Supplier*** is a New Jersey corporation and a wholly-owned subsidiary of Johnson & Johnson, a New Jersey corporation. It is Supplier's mission to provide Manager with one interface to high quality Johnson & Johnson products and health management programs as well as other products and programs from selected partners. Supplier coordinates the consumer, diagnostic, medical & surgical, and pharmaceutical expertise of Johnson & Johnson's affiliates to emphasize wellness, provide early diagnosis, deliver cost-effective treatment and encourage health maintenance. Supplier is responsible to Manager for compliance with all the provisions of this Agreement and will cause its affiliates to cooperate with Manager in that endeavor.

***Manager*** is a Cincinnati, Ohio based publicly held corporation. Manager is an independent provider of professional pharmacy and related services for long term care initiatives such as nursing homes, retirement centers, home healthcare and other institutional healthcare facilities.

## *GENERAL TERMS AND CONDITIONS*

1. ***Subordination.*** In case of an inconsistency between any provision of these General Terms and Conditions and any other provision of this Agreement, such other provision shall govern.

2. ***Changes in Products.*** If the regulatory status of a Product changes from "prescription" to "over-the-counter", then Supplier or Manager may delete that Product from the Product Lists by written notice to the other party. Supplier may discontinue or modify any Product at any time.

3. ***Term.*** The term of this Agreement is set forth on the cover page hereof, Either party may terminate this Agreement earlier by giving 30 days' notice to the other party. The provisions of these General Terms and Conditions shall survive termination of this Agreement.

4. ***Notices.*** Any notice given in connection with this Agreement shall be sufficient if in writing and delivered by messenger or sent by postage prepaid mail or by facsimile to the address of the recipient as set forth on the cover page to this Agreement or as changed by the recipient by notice given hereunder. Notices or communications shall be effective when received by or otherwise known to the recipient or its legal representative. This provision is not intended to be exclusive, and any notice actually received shall be sufficient.

5. ***Entire Agreement.*** This Agreement constitutes the entire agreement between the parties concerning the Products and subject matter hereof and supersedes all prior negotiations, agreements and understandings between the parties, whether oral or in writing, concerning the Products and subject matter hereof. This Agreement may be modified only in writing signed by the party against whom such modification is asserted provided that the terms of any purchase order, invoice or similar document used to implement this Agreement shall not modify and shall be subject to this Agreement.

6. ***Assignment.*** Neither party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party. For purposes of this paragraph, assignment shall include any assignment by operation of law and any change in control of a party.

7. ***Independent Contractors*** The parties hereto are independent contractors engaged in the operation of their own respective businesses. Nothing herein shall be construed to create any other relationship between the parties.

8. ***Publicity.*** Neither party shall permit or generate any publicity, advertising or promotion concerning this Agreement without the prior written consent of the other party.

9. ***Confidentiality.*** Neither party shall use information contained in this Agreement for any purpose not contemplated by this Agreement, and each party shall restrict access to this Agreement to personnel within its organization who need such access in order to perform duties related to the implementation of this Agreement.

10. ***Legal Changes.*** If any governmental entity shall enact or amend a law or adopt or amend a regulation, or if any governmental entity or court of competent jurisdiction shall adopt or amend an interpretation of a law or regulation, or if a judgment/award is rendered in litigation/arbitration, that has the effect of (a) prohibiting any right or obligation of a party under this Agreement, (b) making any such right materially less valuable or any such obligation materially more burdensome to a party, or (c) changing materially the economic conditions underlying any portion of this Agreement, then such party may upon notice to the other party terminate immediately such right, obligation or portion of this Agreement insofar as such law, regulation, interpretation, judgment or award applies.

11. ***Force Majeure.*** Noncompliance with any obligation under this Agreement for reasons of *force majeure* (such as: acts, regulations or laws of any government; war or civil commotion; destruction of production facilities or materials; fire, earthquake or storm; labor disturbances; failure of public utilities or common carriers; and any other causes beyond the reasonable control of the party affected) shall not constitute a breach of this Agreement.

12. ***Dispute Resolution.*** Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitration shall be held in New Jersey and the arbitrator shall apply the substantive law of New Jersey, except that the interpretation and enforcement of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator shall not award any party punitive or consequential damages, and each party hereby irrevocably waives any right to seek such damages in arbitration or in judicial proceedings.

13. ***Insurance.*** Supplier is a member of the Johnson & Johnson Family of Companies, the largest manufacturer of health care products in the world, and it therefore has access to insurance and other financial resources sufficient to enable it to meet any financial obligation reasonably foreseeable under this Agreement.

14. ***Warranties and Remedies.*** In addition to the express warranties contained in the Special Terms and Conditions, Manager shall have the benefit of the warranties implied by the laws of the State of New Jersey governing the sale of goods. In case of breach of this Agreement by either party, the non-breaching party shall have the benefit of the remedies provided by the laws of the State of New Jersey governing the sale of goods, except that neither party shall have the right to consequential or punitive damages, both of which are hereby irrevocably waived by each of the parties. Supplier warrants that in furnishing the Products, Supplier, its affiliates and the Products will comply with all applicable Federal, State and local laws and regulations relating thereto, including (without limitation) the Federal Food, Drug and Cosmetic Act.

15. ***Indemnity.*** Supplier shall indemnify, hold harmless and defend Manager from and against all claims of bodily injury or intellectual property infringement made by third parties and arising out of the use of a Product, provided that, Manager shall give Supplier prompt notice of any such claim, permit Supplier to control the litigation and/or settlement of such claim, and cooperate fully with Supplier in all matters related thereto. This indemnity shall not apply to any claim insofar as it arises out of the negligence or misconduct of Manager.

16. ***Execution.*** This Agreement will not be considered valid until all required signatures as indicated on the Cover Page have been affixed.

## *ADMINISTRATIVE TERMS AND CONDITIONS*

1. ***Definitions.*** In this Agreement the following terms shall have the meanings assigned to them below.

a) **"Active Intervention Program"** shall mean a program, applied by Manager and accepted by Supplier in writing, which is designed to appropriately shift market share to Supplier's Product. Active interventions can include, but are not limited to, disease management initiatives, written correspondence to Participating Providers prescribing or dispensing pharmaceutical products, educating nursing home staff regarding Supplier's Products, conducting clinical intervention programs through which consultant pharmacists recommend Supplier's Products when appropriate.

b) **"Appropriate Utilization Program"** or "AUP" shall mean a program applied by Manager, and accepted in writing by Supplier, designed to cause the appropriate use of Supplier's Product(s). Supplier approves AUP set forth on the Schedule to Qualifying Interventions (Exhibit D).

c) **"Aggregate Price"** shall mean an amount equal to the aggregate of the number of units of each line item of each Product purchased during the Base Year multiplied by the current Contract Price for each line item.

d) **"Base Year"** shall mean the first twelve (12) month Term of this Agreement.

e) **"Benefit"** shall mean a drug or medical equipment benefit which is managed by Manager and under which products are dispensed in accordance with one or more Formularies controlled by Manager.

f) **"Closed Pharmacy"** entity shall mean one that is not open to the public for retail sales.

g) **"Contract Price"** shall mean the price of Products as outlined in Exhibit A "Full Product Put-List".

h) **"Contract Year"** shall mean the annual period between [insert period] {likely to be April 1st until March 31st}.

i) **"DACON"** shall mean the daily average consumption. The measure, based upon FDA-approved dosing and indication for products, is used for calculating market share that is based upon days of therapy. DACON is specified in Exhibit B for Supplier's and competitive Products as agreed to by both parties. DACON will remain constant for the life of this Agreement unless modified in writing by both parties.

j) **"Defined Product Market"** shall mean the list of products included in the therapeutic categories in which each Product competes as listed herein as Exhibit B.

k) **"Formulary"** shall mean a list of products that Manager has determined reflects the most appropriate drug or medical equipment therapy to be dispensed by the Participating Providers for fulfillment of prescriptions to Residents. Participating Providers shall be encouraged by Manager, through mechanisms like Active Intervention Programs, to use Formulary products for fulfillment of prescriptions for Residents.

l) **"Hard Edit"** shall mean an on-line electronic lock out of all NDC codes or other prospective processes, employed by Manager and accepted in writing by Supplier, for specific products. Hard Edit is a mechanism that permits Manager to control the distribution of such specific products.

m) **"Manager"** shall have the meaning described on the cover page and Introduction of this Agreement.

n) **"Market Share Report"** shall mean a report, in an electronic format reasonably requested by Supplier, summarizing the Benefit utilization of each Product compared with the Benefit utilization of products in the relevant Defined Product Market. This report will include all brands or generics within the therapeutic category. Exhibit C specifies the format.

o) "NDC" shall mean <u>N</u>ational <u>D</u>rug <u>C</u>ode.

p) **"Net Sales"** Contract Price Minus rebates or discounts.

q) **"Participating Provider"** shall mean and refer to any one or more physicians, physician or medical groups, specialists, hospitals, skilled nursing facilities, extended care facilities, home health agencies, alcoholism or drug abuse centers, or mental health professionals who or which are duly licensed and qualified to practice and prescribe medications in the state of their practice and which are duly authorized to provide medical, hospital, or other treatment services to Residents.

r) **"Participating Site"** shall mean a Manager-owned Closed Pharmacy that dispenses Products under a Benefit to Manager's Residents and is a party to this Agreement.

s) **"Performance Tier"** shall mean a performance goal, established by Supplier and as set forth in the schedule attached hereto as "Performance Measurement and Rebate Matrix", on a per Product basis. A specific rebate percent shall be specified for each Performance Tier, and such rebate percent shall be earned by Manager upon Supplier validating Manager's compliance to the performance requirements associated with earned Performance Tier. Unless otherwise specified herein, Performance Tiers are based on market share performance.

t) **"Price Lists"** shall mean the attachments hereto which describe the prices of the Products. Exhibit A "Full Product Put-Up List" and the "Performance Measurement and Rebate Matrix" specify the Product price and applicable rebate percent.

u) **"Prime Vendor"** shall mean the wholesaler or distributor designated by Manager or Participating Site(s) to facilitate the distribution of Products.

v) **"Product(s)"** shall mean the Supplier's product(s) listed on Exhibit A.

w) **"Product Lists"** shall mean the lists of Products covered by this Agreement and described in Exhibit A.

x) **"Product Market Days of Therapy"** shall mean the sum total of Units Utilized of the products in a Defined Product Market category divided by the DACON of the respective products.

y) **"Product Market Share"** The sum total of the Units Utilized of a Product divided by its DACON divided by the Product Market Days of Therapy for the relevant Defined Product Market Category.

z) **"Resident"** shall mean a person receiving a Benefit that is provided by the Manager and/or one of the Participating Site,

aa) **"Strategic Products"** These Products are FLOXIN® ofloxacin, LEVAQUIN® levafloxacin, RISPERDAL® risperidone, ULTRAM® Tramadol, DURAGESIC® fentanyl transdermal system and PROCRIT® epoetin alfa. Only Strategic Products, as defined here, are eligible to earn the performance-driven rebates specified in "Performance Measurement and Rebate Matrix"

bb) **"Supplier"** shall have the meaning described on the cover page of this Agreement.

cc) **"Units Utilized"** shall mean the number of units (tablets, grams, tubes, mls etc..) dispensed to Residents for a given period.

dd) **"Utilization Report"** shall mean a report, in an electronic format reasonably requested by Supplier and sent by separate notice, of the Units Utilized of each product in the Defined Product Market, dispensed under Benefits to Residents. This report will include all brands or generics within the therapeutic category. Exhibit C specifies the format.

2. **Participating Site.**

a) Manager warrants that the list of its sites attached hereto is accurate and current. Manager also accepts that each site meets the definition of Participating Site described in Article 2.B below and all other requirements of this Agreement. Manager shall notify Supplier's Contract Administration group described on the cover page of this Agreement of any change in the composition of its group of sites within 15 days thereafter.

b) To be eligible for recognition as a Participating Site, a facility must be based and operated in the U.S., and not compete with retailers serving the general public. Normally, the following entities would be eligible: closed-pharmacy staff model health maintenance organizations, closed-pharmacy long-term care providers, surgical centers, home infusion providers, closed-pharmacy clinics, and assisted living facilities or home healthcare serviced through a Closed Pharmacy.

c) A Manager site shall be party to this Agreement (Participating Site) if and so long as there remains in effect (i) such site's declaration of Participating Site status, and (ii) Supplier's recognition of such status. A Manager site may declare its status as a Participating Site (subject to recognition by Supplier) by written notice to Supplier. Such notice shall also designate a Prime Vendor for the site. A Participating Site may revoke its status as such at any time by written notice to Supplier. Supplier's recognition of a Participating Site's status as such shall be assumed unless otherwise notified by Supplier in writing to Manager. It is understood that Supplier will not recognize a Manager's site as a Participating Site for the purposes of more than one agreement of this type.

d) Preferably within 30 days (but no later than 90 days) after acquiring any facility that meets the definition of a Participating Site as described in Article 2.B above, Manager shall notify Supplier's Contract Administration described on cover page of this Agreement of such acquisition and the number of Residents involved. Manager shall not submit for rebate any utilization occurring from such Residents until the facility is recognized by Supplier as a Participating Site per article 2.C above. Exceptions to this criteria can be negotiated between the parties and agreed to in writing.

3. **Participants.**

a) Manager warrants the accuracy of the Residents, Benefits, and Participating Site information attached hereto, and Manager shall update aggregate information each calendar quarter in the form reasonably requested by Supplier (Exhibit C).

b) With each quarterly data submission Manager will identify for Supplier changes to the number of Residents. The addition of Residents must meet the criteria of Supplier under 3.C below, accompanied by a written consent from Supplier prior to any rebate eligibility from Product utilization occurring as a result of such change. Such consent shall not be unreasonably withheld.

c) Each rebate with respect to a transaction involving a particular Benefit or Resident shall be conditioned upon Supplier's recognition hereunder of such Benefit or Resident. It is understood that among those which will not be recognized are (i) non-U.S. Benefits and non-U.S. Residents, (ii) Benefits for which Manager acts primarily as an administrator of benefits with little or no influence over management of Benefit formularies, (iii) Residents with respect to which Supplier is obligated to pay rebates or any form of incentives under prior agreements with third parties.

4. **Utilization and Market Share Reports.**

a) Within 60 days after the end of each calendar quarter, Manager shall provide Supplier with a Utilization Report and a Market Share Report for such quarter. Manager will supply utilization for all Products including generics as outlined in the Defined Product Market exhibit. Manager hereby warrants the accuracy of such reports.

b) The Utilization Report and the Market Share Report for each calendar quarter shall be subdivided and aggregated by Manager to provide information by (i) individual Participating Sites, and (ii) aggregate of all Participating Sites meeting the terms and conditions of this Agreement.

c) Manager shall certify satisfaction of meeting all non-market share and non-quantitative performance requirement(s) for Products. Such certification shall occur through quarterly submission by Manager of the "Manager Checklist for Non-Quantitative Requirements" worksheet included in Exhibit C. Supplier and Supplier's authorized representatives have the right to audit Participating Sites to ensure compliance to this performance requirement.

d) Any data or information exchanged between the two parties pursuant to this Agreement shall be used by the parties solely for the express purpose for which it is provided, and confidentiality of all such data or information shall be preserved.

5. **Contract Prices and Rebates.**

a) To earn any individual Strategic Product rebates under this Agreement, all Strategic Products must be (i) on Manager's Formulary(s) as "Acceptable" for FDA-approved indications for Manager (ii) included on Formulary(s) without any competitive disadvantage and (iii) As and when provided in the Schedule of Qualifying Interventions (Exhibit D), each Strategic Product must have an Active Intervention Program, applied by Manager in the favor of the Product, to be eligible for rebates for that Product.

b) Supplier shall pay to Manager the rebates described on the "Performance Measurement and Rebate Matrices" with respect to each Strategic Product dispensed to a Resident under a Benefit if (i) no negative promotional activities (e.g. counter-detailing) are undertaken against such Strategic Product, and (ii) the other requirements of this Agreement have been met.

c) The aggregate rebate for each calendar quarter shall be paid by Supplier to Manager within 60 days after receipt by Supplier of the Utilization and Market Share Report as well as completion of the worksheet certifying satisfaction of non-quantitative performance requirements for such quarter. The rebate shall be paid if Manager has performed in accordance with the conditions described under "Performance Measurement and Rebate Eligibility". Payment shall be by check or electronic wire transfer.

d) The calculation used by the parties to determine the rebate owed to Manager is to multiply the sum of the Product Units Utilized by their respective Contract Price (as per the attached Exhibit A) times the Rebate Percentage for the performance level earned as per the requirements in the Performance Measurement and Rebate Eligibility and Performance Measurement Rebate Matrices.

e) The Contract Prices of the Products shall be as described on the Price Lists (Exhibit A). Supplier agrees to limit Contract Price changes for the Products to one change per line item for each twelve (12) month period of this Agreement, "Contract Year". If Manager's unit product purchases during any Contract Year meet or exceed the prior Contract Year's unit product purchases, Supplier guarantees that aggregate pricing in the following Contract Year will not increase more than 2% of the previous Contract Year's total sales dollars plus an adjustment based on the Consumer Price Index, "CPI",. The CPI adjustment shall be calculated as follows:

i) The "Base CPI" shall be the U.S. City Average CPI-U for all items for the Calendar Year two years prior to the year in which the adjustment is being calculated.

ii) The "New CPI" shall be the U.S. City Average CPI-U for all items for the Calendar Year prior to the year in which the adjustment is being calculated.

iii) Subtract the Base CPI from the New CPI; if the remainder is zero or a negative number there will be no adjustment to the price increase. If the remainder is a positive number, divide the remainder by the Base CPI and multiply the quotient by 100 to arrive at the percentage increase in the CPI. Add 2.00 to this percentage, the sum is the maximum percentage by which prices can increase.

For example, if the adjustment were being calculated in 1996 the Base CPI would be the U.S. City Average for 1994 (148.2) and the New CPI would be the U.S. City Average for 1995 (152.4). The calculations would be as follows: 152.4 - 148.2 = 4.2, 4.2 ÷ 148.2 = 0.0283, 0.0283 X 100 = 2.83%, 2.83% + 2 = 4.83% - the maximum price increase for the 1997 Contract Year.

In the event that the method of calculating the CPI is modified by the Department of Labor during any Contract Year, future CPI calculations shall be adjusted by any conversion factor published by the Department of Labor or other generally recognized and accepted source. If no conversion factor is available or if the revised CPI does not accurately reflect the true change in the cost of goods and services the parties shall use any other generally recognized and accepted index. If the parties are unable to agree on either a conversion factor or replacement index then the price increase guarantee above shall be of no further force and effect.

Should Manager's total unit purchases not equal the prior year's unit purchases, then Supplier reserves the right to raise prices in excess of the aforementioned guideline. Any discontinued or new product available for less than twelve (12) months will not be considered for purposes of the prior Contract Year's sales volume calculations.

f) Supplier may from time-to-time impose reasonable punctuality (generally recognized as claims older than 180 days following the close of a quarter) and *de minimis* restrictions on rebate claims via policy notices to Manager. Supplier shall give Manager reasonable time to comply with any such restrictions.

6. <u>Ordering/Distribution</u>

a) Each Participating Site shall order from and return Products to its Prime Vendor. Contract Prices hereunder shall be available to a Participating Site within 60 days after receipt by Supplier from the Participating Site of the Participating Site's Prime Vendor designation.

b) Purchases through a Prime Vendor will be subject to the payment terms, service fee (including without limitation any "up charge" or addition to the prices of Products) and shipping terms that the Participating Site has negotiated with its Prime Vendor. Actual delivery of Products shall be the responsibility of the Prime Vendor.

7. <u>Own Use</u>

Manager warrants that all Products will be dispensed through Closed Pharmacy and used by the Participating Sites solely on Residents, inpatients, staff, employees and students for their own or their dependents' use and not for resale in retail outlets. Each Participating Site shall have on file with Manager certification (Exhibit G) substantially to the above effect. Manager's acceptance of this Agreement will serve as a certification to the above effect.

8. **<u>Audit</u>**

Manager must at all times maintain computer systems capability to accurately track the Resident, Benefit, Product and Participating Site information necessary to implement this Agreement. Supplier shall have the right, upon reasonable notice and during regular business hours, to audit the Manager's books and records to determine the accuracy of Utilization and Market Share Reports and compliance with this Agreement.

## PRODUCT SPECIFIC TERMS AND CONDITIONS

PROCRIT® (Epoetin alfa)

PROCRIT® (Epoetin alfa) is promoted for non-dialysis use only. Supplier will not honor payments of prime vendor discounts associated with this Agreement, for any purchases made by the Manager or Manager's Participating Sites, for any Epoetin alfa usage by patients receiving dialysis treatment. Dialysis Centers are excluded from receiving discounts or rebates for PROCRIT (Epoetin alfa) under this Agreement.

## PERFORMANCE MEASUREMENT AND REBATE ELIGIBILITY

***A rebate shall be paid on each Product included in Product List (Exhibit A), according to and if the following performance criteria are met quarterly:***

1. **This Agreement pilots a new concept for Supplier to evaluate performance on basis of DACON (Daily Average Consumption). Consequently, Supplier retains the right to modify the performance evaluation measurement based on DACON after the first year of this Agreement. In this case, both parties will develop a mutually acceptable performance measurement criteria or else terminate this Agreement as per the "Term" provisions under Article 3 of General Terms and Conditions.**

2. Annual Strategic Product Performance Rebate shall be earned on Strategic Products that have an Active Intervention Program (AIP) or Appropriate Use Program (AUP) applied in their favor.

   a) An additional rebate of 1% off Contract Price shall be earned on the annual utilization of select Strategic Products described on Schedule D. This rebate shall be in addition to any quarterly rebates earned as per the "Performance Measurement and Rebate Matrix" grid. The rebate shall be paid in accordance of Article 5 "Contract Prices and Rebates" once Supplier has evaluated Manager's satisfaction of meeting the performance criteria described in Exhibit D "Schedule of Qualifying Interventions". The performance shall be evaluated in aggregate at the end of each Contract Year.

   b) Supplier views the "Strategic Product Performance Rebate" as a year-end bonus, recognizing successful completion of a Contract Year and the relationship between the two parties. In case this Agreement is terminated in middle of any year, Supplier will not be obligated to pay Manager any "Strategic Product Performance Rebate".

   c) The AIP/AUP initiatives will be developed jointly by the two parties and described under Exhibit D "Schedule of Qualifying Interventions" as described in paragraph "D" of this section.

   d) At the time this Agreement is executed, the Strategic Product Performance Rebate shall be considered for Supplier's Strategic Products for Chronic Pain Management (DURAGESIC® and ULTRAM®), Atypical Antipsychotic (RISPERDAL®) and Anti-Infective (FLOXIN®) IF each one of these Products meet or exceed the performance level described in Exhibit D on an aggregated annual basis evaluated at the end of each Contract Year.

e) As and when provided in the Schedule of Qualifying Interventions (Exhibit D), each Strategic Product must have an Active Intervention Program, applied by Manager in the favor of the Product, to be eligible for Strategic Product Performance Rebates on that Strategic Product. Upon written approval of Supplier, an Appropriate Utilization Program may fulfill this requirement. Supplier hereby approves as an AIP each Program set forth on the Schedule of Qualifying Interventions (Exhibit D). It is the responsibility of Manager to provide Supplier with notice that AIP/AUP programs are in effect, together with a brief description thereof. Manager agrees to meet with Supplier within 30 days of executing this Agreement to develop a business plan that includes the initial Schedule of Qualifying Interventions. A meeting shall occur every quarter between the two parties to review the progress on the business plan. The business plan and the performance goals for earning the Strategic Product Performance Rebate may be revised on an annual basis.

f) Upon written approval of Supplier, an Appropriate Utilization Program may fulfill this requirement. Supplier hereby approves as an AIP each Program set forth on the Schedule of Qualifying Interventions (Exhibit D). It is the responsibility of Manager to provide Supplier with notice that AIP/AUP programs are in effect, together with a brief description thereof. Manager agrees to meet with Supplier within 30 days of executing this Agreement to develop a business plan that includes the initial Schedule of Qualifying Interventions. A meeting shall occur every quarter between the two parties to review the progress on the business plan. The business plan may be revised on an annual basis.

3. At a future date, both parties shall meet and expand the Schedule of Qualifying Interventions (Exhibit D) to include other Strategic Products. At that time, Supplier will consider expanding the Strategic Product Performance Rebate to cover these additional Strategic Products. In anticipation of future AIP/AUP, Supplier offers Manager rebates on Strategic Products that do not have AIP/AUP at the time this Agreement shall be executed.

4. Re-definition of Manager's Performance Tiers: Due to long term care national market share fluctuations not attributable to Manager, Supplier retains the right to review and adjust, if necessary, Manager's Performance Tiers. Any changes to the Performance Tiers shall be communicated in writing by Supplier to Manager at least 60 days before the change takes affect. Manager shall have the opportunity to discuss the rationale for the proposed change with Supplier within the 60 day period extended.

   a) If the Long Term Care national Product Market Share exceeds Manager's Product Market Share then Supplier may revise the Performance Tiers as described in the "Performance Measurement and Rebate Matrix" grid. Such adjustment will fully consider the influence of Manager's performance on long term care national market share.

   b) If the FDA were to change the current indication or labeling for any one of Supplier's Products or competitive products listed in the Defined Markets (Exhibit B) or if Article #10 under General Terms and Conditions describing the LEGAL CHANGES were to materialize, Supplier will re-evaluate the Performance Tier for the affected Product(s).

   c) If the FDA approves new products and subsequently, such product is added to the Defined Markets (as per the conditions described in "Definition of Therapeutic Classes), Supplier may re-evaluate the Performance Tier.

5. Performance requirements and corresponding rebates for Strategic Products are listed below under "Performance Measurement - Rebate Matrices".

6. Supplier retains the sole right to define and re-define the pharmaceutical Defined Product Market (Exhibit B) based upon (i) the entry of a branded or generic product into the market, (ii) the removal/discontinuation of a branded or generic product from the market, (iii) a change in the indication of Supplier's Product(s), or (iv) a modification by Supplier of their view of competitive products against which Supplier's Product(s) compete. Supplier agrees that any changes made to the Defined Market will reflect Supplier's universal definition, rather than a specific definition with regard to Manager or this Agreement. When there is a change in a Product(s) Defined Product Market, Supplier shall provide Manager with the revised Defined Product Market (Exhibit B).The changes to Defined Product Markets reflect Supplier's universal definition, rather than a specific definition with regard to Manager or this Agreement.

# PERFORMANCE MEASUREMENT - REBATE MATRICES

| Product | Mgr Shr Q496 | Nat'l Shr. Q4 '96 | Tier 1 | Tier 2 | Tier 3 | Tier 4 | Tier 5 | Additional Product Interventional Requirements |
|---|---|---|---|---|---|---|---|---|
| | | | Market Share<br>Rebate % | | | | | |
| Risperdal | 83.1% | 95.3% | < 80.0%<br>2.0% | 80.0%<br>4.0% | 85.0%<br>6.0% | 90.0%<br>11.0% | | First line Atypical Antipsychotic. All other competitive products in Defined Market Prior Authorized for Risperdal failures. Manager's Regional V.P.s and Formulary Champions shall work with Supplier to develop business plan and communications to prescribing practitioners that enhances compliance to this Agreement. Consultants to attend Risperdal inservice. |
| Duragesic | 58.0% | 54.9% | 55.0%<br>2.0% | 60.0%<br>4.0% | 65.0%<br>8.0% | 70.0%<br>10.0% | | First line preferred strong Opiod. Participation in National Pain Management Initiative to be jointly developed by the two parties. Manager's Regional V.P.s and Formulary Champions shall work with Supplier to develop business plan and communications to prescribing practitioners to enhance compliance to this Agreement. |
| Propulsid | 15.1% | 13.7% | 15.0%<br>1.5% | 20.0%<br>4.0% | 25.0%<br>8.0% | 30.0%<br>10.0% | | Consultant Pharmacists to attend PROPULSID inservice. Manager's Regional V.P.s and Formulary Champions shall work with Supplier to educate Manager's prescribing practitioners on GERD treatment protocols. |
| Ultram | 18.8% | 21.4% | < 32.0%<br>1.5% | 32.0%<br>3.0% | 42.0%<br>4.0% | 52.0%<br>6.0% | 62.0%<br>8.0% | Develop ULTRAM Propoxyphene interventional program (to be jointly developed by both parties). |
| Procrit | | | N/A<br>5.0% | | | | | Please see "Product Specific Terms and Conditions" section of this Agreement for appropriate use of PROCRIT. |
| Floxin | 12.9% | 12.8% | 20%<br>4% | 40%<br>8% | 60%<br>12% | 80%<br>14% | | |
| Levaquin | N/A | N/A | > NMS<br>2% | | | | | |

Denotes Performance Tier Already Achieved by Manager.

**Common Product Requirements:**

## EXHIBIT A FULL PRODUCT PUT-UP LIST

## In Effect April 1, 1997 Through March 31, 1998

| NDC | J & J NAME | GENERIC DESCRIPTION | STRENGTH | How Supplied | Eaches Per SUOM | CONTRACT PRICE (4/1/97-3/31/98) |
|---|---|---|---|---|---|---|
| 50458006002 | Alfenta | Alfentanil HCl | 500 MCG/ML | 2 ML Ampules | BOX of 10 | 67.44 |
| 50458006005 | Alfenta | Alfentanil HCl | 500 MCG/ML | 5 ML Ampules | BOX of 10 | 120.89 |
| 50458006010 | Alfenta | Alfentanil HCl | 500 MCG/ML | 10 ML Ampules | BOX of 5 | 97.60 |
| 50458006020 | Alfenta | Alfentanil HCl | 500 MCG/ML | 20 ML Ampules | BOX of 5 | 170.82 |
| 50458003605 | Duragesic | Fentanyl Transdermal System | 100 MCG/HR | Patches | PACKAGE of 5 | 128.23 |
| 50458003305 | Duragesic | Fentanyl Transdermal System | 25 MCG/HR | Patches | PACKAGE of 5 | 44.94 |
| 50458003405 | Duragesic | Fentanyl Transdermal System | 50 MCG/HR | Patches | PACKAGE of 5 | 67.38 |
| 50458003505 | Duragesic | Fentanyl Transdermal System | 75 MCG/HR | Patches | PACKAGE of 5 | 102.92 |
| 50458027036 | Ergamisol | Levamisole HCl | 50 MG | Tablets | BOTTLE of 36 | 168.31 |
| 00062118501 | Erycette | Erythromycin | 2% | Pledgets | BOX of 60 | 17.60 |
| 00062154002 | Floxin | Ofloxacin | 200 MG | Tablets | BOTTLE of 50 | 137.50 |
| 00062154102 | Floxin | Ofloxacin | 300 MG | Tablets | BOTTLE of 50 | 163.64 |
| 00062154201 | Floxin | Ofloxacin | 400 MG | Tablets | BOTTLE of 100 | 345.18 |
| 00062155001 | Floxin | Ofloxacin | 400 MG | 10 ML Vial | VIAL of 1 | 21.00 |
| 00062155301 | Floxin I.V. | Ofloxacin | 200 MG | 50 ML I.V. Mini-Bag | BAG of 1 | 11.00 |
| 00062155202 | Floxin I.V. | Ofloxacin | 400 MG | 100 ML I.V. Mini-Bag | BAG of 1 | 22.00 |
| 00062154005 | Floxin UD | Ofloxacin | 200 MG | Tablets | UNIT of 100 | 276.89 |
| 00062154105 | Floxin UD | Ofloxacin | 300 MG | Tablets | UNIT of 100 | 329.32 |
| 00062154205 | Floxin UD | Ofloxacin | 400 MG | Tablets | UNIT of 100 | 347.37 |
| 00062021160 | Grifulvin-V | Griseofulvin | 250 MG | Tablets | BOTTLE of 100 | 61.65 |
| 00062021460 | Grifulvin-V | Griseofulvin | 500 MG | Tablets | BOTTLE of 100 | 95.70 |
| 00062021470 | Grifulvin-V | Griseofulvin | 500 MG | Tablets | BOTTLE of 500 | 415.25 |
| 00062020604 | Grifulvin-V Susp | Griseofulvin | 125MG/5ML | 120 ML Oral Suspension | BOTTLE of 1 | 20.00 |
| 00045024160 | Haldol | Haloperidol | 1 MG | Tablets | BOTTLE of 100 | 54.90 |
| 00045024010 | Haldol | Haloperidol | 1/2 MG | Tablets | UNIT of 1 | 41.23 |
| 00045024060 | Haldol | Haloperidol | 1/2 MG | Tablets | BOTTLE of 100 | 37.09 |
| 00045024660 | Haldol | Haloperidol | 10 MG | Tablets | BOTTLE of 100 | 158.80 |
| 00045024260 | Haldol | Haloperidol | 2 MG | Tablets | BOTTLE of 100 | 75.73 |
| 00045025004 | Haldol | Haloperidol | 2 MG/ML | 120 ML Concentration | UNIT of 1 | 86.56 |
| 00045025015 | Haldol | Haloperidol | 2 MG/ML | 15 ML Concentration | UNIT of 1 | 20.71 |
| 00045024860 | Haldol | Haloperidol | 20 MG | Tablets | BOTTLE of 100 | 304.66 |
| 00045024560 | Haldol | Haloperidol | 5 MG | Tablets | BOTTLE of 100 | 123.78 |
| 00045025501 | Haldol | Haloperidol | 5 MG/ML | 1 ML Injection | BOX of 10 | 5.01 |
| 00045025549 | Haldol | Haloperidol | 5 MG/ML | 10 ML Injection | BOX of 1 | 5.01 |
| 00045025446 | Haldol Dec 100 | Haloperidol decanoate | 100 MG | 5 ML Vial | BOX of 1 | 185.22 |

| NDC | J & J NAME | GENERIC DESCRIPTION | STRENGTH | How Supplied | Eaches Per SUOM | CONTRACT PRICE (4/1/97-3/31/98) |
|---|---|---|---|---|---|---|
| 00045025414 | Haldol Dec 100 | Haloperidol decanoate | 50 MG | 1 ML Ampules | BOX of 5 | 185.22 |
| 00045025301 | Haldol Dec 50 | Haloperidol decanoate | 50 MG | 1 ML Ampules | BOX of 10 | 201.90 |
| 00045025346 | Haldol Dec 50 | Haloperidol decanoate | 50 MG | 5 ML Multi-Dose Vial | BOX of 1 | 100.98 |
| 00045025303 | Haldol Dec 50 | Haloperidol decanoate | 70.52 MG | 1 ML Ampules | BOX of 3 | 60.58 |
| 50458051010 | Hismanal | Astemizole | 10 MG | Tablets | BOTTLE of 100 | 166.41 |
| 50458051013 | Hismanal | Astemizole | 10 MG | Tablets | PACKAGE of 120 | 199.69 |
| 50458040010 | Imodium | Loperamide HCl | 2 MG | Capsules | BOTTLE of 100 | 41.99 |
| 50458040050 | Imodium | Loperamide HCl | 2 MG | Capsules | BOTTLE of 500 | 206.51 |
| 50458040001 | Imodium UD | Loperamide HCl | 2 MG | Capsules | BOTTLE of 100 | 45.38 |
| 00045006701 | Levaquin | levofloxacin | 250 mg | 50mL Injection Premix | Bag of 1 | 16.25 |
| 00045152010 | Levaquin | levofloxacin | 250 MG | Tablets | Bottle of 100 | 503.49 |
| 00045152050 | Levaquin | levofloxacin | 250 mg | Tablets | Bottle of 50 | 249.99 |
| 00045006801 | Levaquin | levofloxacin | 500 MG | 100mL Injection Premix | Bag of 1 | 32.50 |
| 00045152510 | Levaquin | levofloxacin | 500 MG | Tablets | Bottle of 100 | 587.49 |
| 00045152550 | Levaquin | levofloxacin | 500 Mg | Tablets | Bottle of 50 | 291.99 |
| 00045006951 | Levaquin | levofloxacin | 500 MG 25mg/mL | 20mL Injection Single-use | Vial of 1 | 32.50 |
| 00062543401 | Monistat-Derm | Miconazole Nitrate | 2% | 30 GM Cream | TUBE of 1 | 18.85 |
| 00062543402 | Monistat-Derm | Miconazole Nitrate | 2% | 15 GM Cream | TUBE of 1 | 11.20 |
| 50458022115 | Nizoral Cream | Ketaconazole | 2% | 15 GM Cream | TUBE of 1 | 12.10 |
| 50458022130 | Nizoral Cream . | Ketaconazole | 2% | 30GM Cream | TUBE of 1 | 20.35 |
| 50458022001 | Nizoral Tab Hud | Ketaconazole | 200 MG | Tablets | BOTTLE of 100 | 267.99 |
| 50458022010 | Nizoral Tablets | Ketaconazole | 200 MG | Tablets | BOTTLE of 100 | 243.72 |
| 00045009560 | Pancrease Caps | Pancrelipase | 4500 U.S.P. UNITS | Capsules | BOTTLE of 100 | 29.21 |
| 00045009569 | Pancrease Caps | Pancrelipase | 4500 U.S.P. UNITS | Capsules | BOTTLE of 250 | 69.58 |
| 00045034160 | Pancrease MT 4 | Pancrelipase | 4000 U.S.P. UNITS | Capsules | BOTTLE of 100 | 23.01 |
| 00045034260 | Pancrease MT 10 | Pancrelipase | 10000 U.S.P. UNITS | Capsules | BOTTLE of 100 | 57.52 |
| 00045034360 | Pancrease MT 16 | Pancrelipase | 16000 U.S.P. UNITS | Capsules | BOTTLE of 100 | 92.36 |
| 00045034660 | Pancrease MT 20 | Pancrelipase | 20000 U.S.P. UNITS | Capsules | BOTTLE of 100 | 115.20 |
| 59676031001 | Procrit | Epoetin alfa | 10000 U/ML | 1 ML Vial | PACKAGE of 6 | 578.00 |
| 59676031002 | Procrit | Epoetin alfa | 10000 U/ML | 1 ML Vial | PACKAGE of 25 | 2,408.36 |
| 59676031201 | Procrit | Epoetin alfa | 10000 U/ML X 2 ML (20,000 UNITS) | 2 ML Vial | PACKAGE of 6 | 1,156.01 |
| 59676030201 | Procrit | Epoetin alfa | 2000 U/ML | 1 ML Vial | PACKAGE of 6 | 117.60 |
| 59676030202 | Procrit | Epoetin alfa | 2000 U/ML | 1 ML Vial | PACKAGE of 25 | 490.00 |
| 59676030301 | Procrit | Epoetin alfa | 3000 U/ML | 1 ML Vial | PACKAGE of 6 | 176.40 |
| 59676030302 | Procrit | Epoetin alfa | 3000 U/ML | 1 ML Vial | PACKAGE of 25 | 735.00 |
| 59676030401 | Procrit | Epoetin alfa | 4000 U/ML | 1 ML Vial | PACKAGE of 6 | 235.20 |
| 59676030402 | Procrit | Epoetin alfa | 4000 U/ML | 1 ML Vial | PACKAGE of 25 | 980.00 |
| 59676032001 | Procrit | Epoetin alfa | 20000 X 1 ML | 1 ML Vial | PACKAGE of 6 | 1,156.01 |

| NDC | J & J NAME | GENERIC DESCRIPTION | STRENGTH | How Supplied | Eaches Per SUOM | CONTRACT PRICE (4/1/97-3/31/98) |
|---|---|---|---|---|---|---|
| 50458043010 | Propulsid | Cisapride | 10 MG | Tablets | BOTTLE of 100 | 56.62 |
| 50458043050 | Propulsid | Cisapride | 10 MG | Tablets | BOTTLE of 500 | 283.10 |
| 50458044001 | Propulsid | Cisapride | 20 MG | Tablets | BOXES of 100 | 120.82 |
| 50458044025 | Propulsid | Cisapride | 20 MG | Tablets | BOTTLE of 250 | 274.60 |
| 50458044010 | Propulsid | Cisapride | 20MG | Tablets | BOTTLE of 100 | 109.83 |
| 50458045045 | Propulsid Suspension | Cisapride | 1MG/ML | 450 ML Oral Suspension | BOTTLE of 1 | 40.91 |
| 50458043001 | Propulsid UD | Cisapride | 10 MG | Tablets | BOTTLE of 100 | 62.28 |
| 50458030001 | Risperdal | Risperidone | 1 MG | Tablets | BOTTLE of 100 | 170.70 |
| 50458030006 | Risperdal | Risperidone | 1 MG | Tablets | BOTTLE of 60 | 102.44 |
| 50458030050 | Risperdal | Risperidone | 1 MG | Tablets | BOTTLE of 500 | 853.63 |
| 50458032001 | Risperdal | Risperidone | 2 MG | Tablets | BOTTLE of 100 | 284.16 |
| 50458032006 | Risperdal | Risperidone | 2 MG | Tablets | BOTTLE of 60 | 170.49 |
| 50458032050 | Risperdal | Risperidone | 2 MG | Tablets | BOTTLE of 500 | 1,420.93 |
| 50458033001 | Risperdal | Risperidone | 3 MG | Tablets | BOTTLE of 100 | 335.59 |
| 50458033006 | Risperdal | Risperidone | 3 MG | Tablets | BOTTLE of 60 | 201.34 |
| 50458033050 | Risperdal | Risperidone | 3 MG | Tablets | BOTTLE of 500 | 1,677.89 |
| 50458035001 | Risperdal | Risperidone | 4 MG | Tablets | BOTTLE of 100 | 455.49 |
| 50458035006 | Risperdal | Risperidone | 4 MG | Tablets | BOTTLE of 60 | 273.29 |
| 50458030510 | Risperdal Oral Soln | Risperidone | 1 MG/ML | 100 ML Oral Solution | BOTTLE of 1 | 216.99 |
| 00062546001 | Spectazole Cream | Econazole Nitrate | 1% | 30 GM Cream | TUBE of 1 | 17.80 |
| 00062546002 | Spectazole Cream | Econazole Nitrate | 1% | 15 GM Cream | TUBE of 1 | 10.45 |
| 50458029001 | Sporanox Cap | Itraconazole | 100 MG | Capsules | BOTTLE of 30 | 145.55 |
| 50458029004 | Sporanox Cap | Itraconazole | 100 MG | Capsules | BOTTLE of 30 | 145.55 |
| 50458005001 | Sufenta Inj | Sufentanil Citrate | 50 MCG/ML | 1 ML Ampules | BOX of 10 | 77.40 |
| 50458005002 | Sufenta Inj | Sufentanil Citrate | 50 MCG/ML | 2 ML Ampules | BOX of 10 | 136.32 |
| 50458005005 | Sufenta Inj | Sufentanil Citrate | 50 MCG/ML | 5 ML Ampules | BOX of 10 | 283.65 |
| 00045063965 | Topamax | topiramate | 25mg | Tablets | Bottle of 60's | 54.00 |
| 00045064165 | Topamax | topiramate | 100 mg | Tablets | Bottle of 60's | 123.00 |
| 00045064265 | Topamax | topiramate | 200mg | Tablets | Bottle of 60's | 144.00 |
| 00045048632 | Tylenol Chewables | acetaminophen | 80 MG | Chews | CASE of 48X30 | 31.80 |
| 00045012303 | Tylenol Child Liq | acetaminophen | 160 MG | 4 OZ Oral Suspension | CASE of 36 | 29.66 |
| 00045045103 | Tylenol ES Cap | acetaminophen | 500 MG | Caplets | CASE of 20 X 150 | 54.50 |
| 00045045104 | Tylenol ES Cap | acetaminophen | 500 MG | Caplets | CASE of 10X150 | 29.50 |
| 00045045170 | Tylenol ES Cap | acetaminophen | 500 MG | Caplets | BOTTLE of 700 | 7.20 |
| 00045012218 | Tylenol Grape Susp | acetaminophen | 80 MG | 15 ML Oral Suspension | CASE of 36 | 28.80 |
| 00045050180 | Tylenol RS Cap | acetaminophen | 325 | Caplets | BOTTLE of 1 | 6.90 |
| 00045050190 | Tylenol RS Cap | acetaminophen | 325 | Caplets | BOTTLE of 1 | 30.89 |
| 00045050130 | Tylenol RS Tabs | acetaminophen | 325 MG | Caplets | CASE of 20X150 | 32.70 |

| NDC | J & J NAME | GENERIC DESCRIPTION | STRENGTH | How Supplied | Eaches Per SUOM | CONTRACT PRICE (4/1/97-3/31/98) |
|---|---|---|---|---|---|---|
| 00045052660 | Tylox Cap | acetaminophen/oxycodone hydrochloride | 5 MG | Capsules | BOTTLE of 100 | 31.43 |
| 00045052679 | Tylox UD Cap | acetaminophen/oxycodone hydrochloride | 5 MG | Capsules | BOTTLE of 100 | 8.31 |
| 00045065960 | Ultram | tramadol | 50 MG | Tablets | BOTTLE of 100 | 53.97 |
| 00045065910 | Ultram | tramadol | 50 MG | Tablets | BOTTLE of 100 | 59.37 |
| 00045068210 | Vascor | bepridil hydrochloride | 200 MG | Tablets | BOTTLE of 100 | 242.59 |
| 00045068233 | Vascor | bepridil hydrochloride | 200 MG | Tablets | BOTTLE of 90 | 198.45 |
| 00045068310 | Vascor | bepridil hydrochloride | 300 MG | Tablets | BOTTLE of 100 | 295.89 |
| 00045068333 | Vascor | bepridil hydrochloride | 300 MG | Tablets | BOTTLE of 90 | 242.12 |
| 00045068410 | Vascor | bepridil hydrochloride | 400 MG | Tablets | BOTTLE of 100 | 333.71 |
| 00045068433 | Vascor | bepridil hydrochloride | 400 MG | Tablets | BOTTLE of 30 | 273.06 |
| 0458011001 | Vermox | mebendazole | 100 MG | Tablets | CARD of 12 | 52.16 |



CONFIDENTIAL JNJ 001107

## EXHIBIT B DEFINED MARKET

| Product | Dose/Package Size | NDC Number | Dacon Units |
|---|---|---|---|
| | *GERD THERAPY* | | |
| AXID | 150 MG | 00002 3144 XX | 2 |
| AXID | 300 MG | 00002 3145 XX | 1 |
| CARAFATE | 1 GM / 10 ML | 00088 1700 XX | 40 |
| CARAFATE | 1 GM TABS | 00088 1712 XX | 4 |
| CIMETIDINE | 200 MG | All Manufacturers | 4 |
| CIMETIDINE | 300 MG | All Manufacturers | 4 |
| CIMETIDINE | 300 MG/ 5ML | All Manufacturers | 20 |
| CIMETIDINE | 400 MG | All Manufacturers | 2 |
| CIMETIDINE | 800MG | All Manufacturers | 1 |
| METACLOPROPAMIDE | 5 MG | All Manufacturers | 4 |
| METACLOPROPAMIDE | 10 MG | All Manufacturers | 4 |
| METACLOPROPAMIDE | 5 MG / 5 ML | All Manufacturers | 20 |
| PEPCID | 20 MG | 00006 0963 XX | 2 |
| PEPCID | 40 MG | 00006 0964 XX | 1 |
| PEPCID | 40 MG / 5 ML | 00006 3538 XX | 5 |
| PREVACID | 15 MG | 00300 1541 XX | 1 |
| PREVACID | 30 MG | 00300 3046 XX | 1 |
| PRILOSEC | 10 MG | 61113 0606 XX | 1 |
| PRILOSEC | 20 MG | 61113 0742 XX | 1 |
| PROPULSID | 10 MG | 50458 0430 XX | 4 |
| PROPULSID | 20 MG | 50458 0440 XX | 4 |
| PROPULSID | 1MG / ML | 50458 0450 XX | 40 |
| REGLAN | 5 MG | 00031 6705 XX | 4 |
| REGLAN | 10 MG | 00031 6701 XX | 4 |
| REGLAN | 5MG / 5ML | 00031 6706 XX | 4 |
| SUCRAFATE | 1 GM | All Manufacturers | 4 |
| SUCRAFATE | 16/10ML | All Manufacturers | 40 |
| TAGAMET | 200 MG | 00108 5012 XX | 4 |
| TAGAMET | 300 MG | 00108 5013 XX | 4 |
| TAGAMET | 400 MG | 00108 5026 XX | 2 |
| TAGAMET | 800 MG | 00108 5027 XX | 1 |
| TAGAMET | 300 MG / 5ML | 00108 5014 XX | 20 |
| ZANTAC | 150 MG TAB | 00173 0344 XX | 2 |
| ZANTAC | 300 MG TAB | 00173 0393 XX | 1 |
| ZANTAC | 15 MG / ML | 00173 0383 XX | 20 |
| ZANTAC | 150 MG SOL | 00173 0427 XX | 4 |
| ZANTAC | 150 MG GRANULE | 00173 0451 XX | 2 |
| ZANTAC | 150 MG GELDOSE | 00173 0428 XX | 2 |
| ZANTAC | 300 MG GELDOSE | 00173 0429 XX | 1 |
| | *QUINOLONE ANTIBIOTICS* | | |
| CIPRO | 250 MG | 00026 8512 XX | 2 |
| CIPRO | 500 MG | 00026 8513 XX | 2 |
| CIPRO | 750 MG | 00026 8514 XX | 2 |
| FLOXIN * | 200 MG | 00062 1540 XX | 2 |
| FLOXIN * | 300 MG | 00062 1541 XX | 2 |
| FLOXIN * | 400 MG | 00062 1542 XX | 2 |
| MAXAQUIN | 400 MG | 00025 1651 XX | 1 |
| NOROXIN | 400 MG | 00006 0705 XX | 2 |
| NOROXIN | 400 MG | 5490 2097 XX | 2 |
| NOROXIN | 400 MG | 5491 2097 XX | 2 |
| NOROXIN | 400 MG | 5492 2097 XX | 2 |
| | *RESPIRATORY ANTIFUNGALS (I.V.)* | | |
| CIPRO | I.V. 200 mg/100 ml D5W | 00026 8552 36 | TBD |
| CIPRO | I.V. 400 mg/200 ml D5W | 00026 8554 63 | TBD |

| Product | Dose/Package Size | NDC Number | Dacon Units |
|---|---|---|---|
| CIPRO | I.V. 10 mg/ml VIAL | 00026 8562 20 | TBD |
| CIPRO | I.V. 10 mg/ml VIAL | 00026 8564 64 | TBD |
| CIPRO | I.V. 10 mg/ml VIAL | 00026 8566 65 | TBD |
| CLAFORAN | 500 mg VIAL | 00039 0017 10 | TBD |
| CLAFORAN | 1 g VIAL | 00039 0018 10 | TBD |
| CLAFORAN | 1 g INFUSION BTL | 00039 0018 11 | TBD |
| CLAFORAN | 1 g VIAL | 00039 0018 25 | TBD |
| CLAFORAN | 1 g VIAL | 00039 0018 50 | TBD |
| CLAFORAN | 2 g VIAL | 00039 0019 10 | TBD |
| CLAFORAN | 2 g INFUSION BTL | 00039 0019 11 | TBD |
| CLAFORAN | 2 g INJECTION | 00039 0019 25 | TBD |
| CLAFORAN | 2 g VIAL | 00039 0019 50 | TBD |
| CLAFORAN | 10 g VIAL | 00039 0020 01 | TBD |
| CLAFORAN | 1 g ADD-VANTAGE | 00039 0023 25 | TBD |
| CLAFORAN | 1 g ADD-VANTAGE | 00039 0023 50 | TBD |
| CLAFORAN | 2 g ADD-VANTAGE | 00039 0024 25 | TBD |
| CLAFORAN | 2 g ADD-VANTAGE | 00039 0024 50 | TBD |
| CLAFORAN | 1 g/50 ml GALAXY | 00039 0037 05 | TBD |
| CLAFORAN | 2 g/50 ml GALAXY | 00039 0038 05 | TBD |
| FLOXIN® | I.V. 40 mg/ml VIAL | 00062 1550 01 | TBD |
| FLOXIN® | I.V. 20 mg/ml VIAL | 00062 1551 01 | TBD |
| FLOXIN® | I.V. 4 mg/ml MINI-BAG | 00062 1552 01 | TBD |
| FLOXIN® | I.V. 4 mg/ml MINI-BAG | 00062 1553 01 | TBD |
| GENERIC ERYTHROMYCIN | I.V. | ALL MANUFACTURER | TBD |
| LEVAQUIN | 250 mg INJECTION PREMIX (50ml) | 00045 0067 01 | TBD |
| LEVAQUIN | 500 mg INJECTION PREMIX (100ml) | 00045 0068 01 | TBD |
| LEVAQUIN | 500 mg 25mg/ml INJECTION SINGLE-USE (20ml | 00045 0069 51 | TBD |
| ROCEPHIN | 250 mg VIAL | 00004 1962 01 | TBD |
| ROCEPHIN | 250 mg VIAL | 00004 1962 02 | TBD |
| ROCEPHIN | 500 mg VIAL | 00004 1963 01 | TBD |
| ROCEPHIN | 500 mg VIAL | 00004 1963 02 | TBD |
| ROCEPHIN | 500 mg KIT | 00004 1963 39 | TBD |
| ROCEPHIN | 1 g VIAL | 00004 1964 01 | TBD |
| ROCEPHIN | 1 g PIGGYBACK | 00004 1964 02 | TBD |
| ROCEPHIN | 1 g VIAL | 00004 1964 04 | TBD |
| ROCEPHIN | ADD-VANTAGE 1 g | 00004 1964 05 | TBD |
| ROCEPHIN | 1 g KIT | 00004 1964 39 | TBD |
| ROCEPHIN | 2 g VIAL | 00004 1965 01 | TBD |
| ROCEPHIN | 2 g PIGGYBACK | 00004 1965 02 | TBD |
| ROCEPHIN | ADD-VANTAGE 2 g | 00004 1965 05 | TBD |
| ROCEPHIN | 10 g VIAL | 00004 1971 01 | TBD |
| ROCEPHIN | 1 g/DEXTROSE 2.4 | 00004 2002 78 | TBD |
| ROCEPHIN | 2 g/DEXTROSE 2.4 | 00004 2003 78 | TBD |
| ZINACEF | 750 mg VIAL | 00173 0352 31 | TBD |
| ZINACEF | 750 mg INFUSION | 00173 0353 32 | TBD |
| ZINACEF | 1.500 g VIAL | 00173 0354 35 | TBD |
| ZINACEF | 1.500 g VIAL | 00173 0356 32 | TBD |
| ZINACEF | 7.500 g VIAL | 00173 0400 00 | TBD |
| ZINACEF | 750 mg ADD-VANTAGE | 00173 0436 00 | TBD |
| ZINACEF | 1.500 g ADD-VANTAGE | 00173 0437 00 | TBD |
| | | | |
| ***RESPIRATORY ANTIFUNGALS (ORAL)*** | | | |
| AUGMENTIN | 250 mg | 00029 6075 27 | TBD |
| AUGMENTIN | 500 mg | 00029 6080 12 | TBD |

| Product | Dose/Package Size | NDC Number | Dacon Units |
|---|---|---|---|
| AUGMENTIN | 875 mg | 00029 6086 12 | TBD |
| BIAXIN | 500 mg | 00074 2586 60 | TBD |
| BIAXIN | 250 mg | 00074 3368 60 | TBD |
| CEFTIN | 250 mg | 00173 0387 XX | TBD |
| CEFTIN | 500 mg | 00173 0394 XX | TBD |
| CIPRO | 100 mg CYSTITIS PAK | 00026 8511 XX | TBD |
| CIPRO | 100 mg | 00026 8511 XX | TBD |
| CIPRO | 250 mg | 00026 8512 XX | TBD |
| CIPRO | 500 mg | 00026 8513 XX | TBD |
| CIPRO | 750 mg | 00026 8514 XX | TBD |
| LEVAQUIN | 250 mg TABLET | 00045 1520 XX | TBD |
| LEVAQUIN | 500 mg TABLET | 00045 1525 XX | TBD |
| ZITHROMAX | 250 mg Z-PAK | 00069 3050 34 | TBD |
| ZITHROMAX | 250 mg CAPSULE | 00069 3050 50 | TBD |
| | ***ANTI-PSYCHOTIC*** | | |
| RISPERDAL | 1 MG TABS | 50458 0300 XX | 2 |
| RISPERDAL | 2 MG TABS | 50458 0320 XX | 2 |
| RISPERDAL | 3 MG TABS | 50458 0330 XX | 2 |
| RISPERDAL | 4 MG TABS | 50458 0350 XX | 2 |
| RISPERDAL | ORAL SUSPENSION | 50458 0305 XX | 2 |
| SERTINDOLE | ALL SIZES | ALL MANUFACTURES | |
| ZYPREXA | 10MG TABS | 00002 4117 XX | 1 |
| ZYPREXA | 5MG TABS | 00002 4115 XX | 1 |
| ZYPREXA | 7.5 MG TABS | 00002 4116 XX | 1 |
| | ***ERYTHROPOIETIN*** | | |
| EPOGEN | 2,000 UNIT | 55513 0126 XX | 1 |
| EPOGEN | 3,000 UNIT | 55513 0267 XX | 1 |
| EPOGEN | 4,000 UNIT | 55513 0148 XX | 1 |
| EPOGEN | 10,000 UNIT | 55513 0144 XX | 1 |
| EPOGEN | 20,000 UNIT | 55513 0283 XX | 1 |
| PROCRIT * (Epoetin alfa) | 2,000 UNIT | 59676 0302 XX | 1 |
| PROCRIT * (Epoetin alfa) | 3,000 UNIT | 59676 0303 XX | 1 |
| PROCRIT * (Epoetin alfa) | 4,000 UNIT | 59676 0304 XX | 1 |
| PROCRIT * (Epoetin alfa) | 10,000 UNIT | 59676 0310 XX | 1 |
| PROCRIT * (Epoetin alfa) | 10,000/ML X 2 (20,000 UNIT) | 59676 0312 XX | 1 |
| PROCRIT * (Epoetin alfa) | 20,000 UNIT | 59676 0320 XX | 1 |
| | ***ANALGESIC MARKET*** | | |
| DEMEROL | 100 MG | | 5 |
| DILAUDID | 8 MG | | 3 |
| DURAGESIC * HR PATCH | 25 MCG | 50458 0033 XX | 0.333 |
| DURAGESIC * HR PATCH | 50 MCG | 50458 0034 XX | 0.333 |
| DURAGESIC * HR PATCH | 75 MCG | 50458 0035 XX | 0.333 |
| DURAGESIC * HR PATCH | 100 MCG | 50458 0036 XX | 0.333 |
| HYDROMORPHONE | 2 MG | All Manufacturers | 5 |
| HYDROMORPHONE | 4 MG TABLET | All Manufacturers | 5 |
| KADIAN | 20 MG | New Product | 1 |
| KADIAN | 50 MG | Zeneca | 1 |
| MORPHINE | 10 MG | All Manufacturers | 5 |
| MORPHINE | 15 MG TAB | All Manufacturers | 5 |
| MORPHINE | 20 MG SUPP | All Manufacturers | 5 |
| MORPHINE | 30 MG SUPP | All Manufacturers | 5 |
| MORPHINE | 10 MG SUPP | All Manufacturers | 5 |
| MORPHINE | 30 TAB/CAP | All Manufacturers | 5 |
| MORPHINE | 5 MG SUPP | All Manufacturers | 5 |
| MORPHINE | 10 MG/ 5 ML SOL | All Manufacturers | 25 |
| MESPERIDINE | 50 MG TAB | All Manufacturers | 6 |
| MS-CONTIN 100 MG | TABLETS | 00034 0517 XX | 2 |

| Product | Dose/Package Size | NDC Number | Dacon Units |
|---|---|---|---|
| MS-CONTIN 15 MG | TABLETS | 00034 0514 XX | 2.5 |
| MS-CONTIN 200 MG | TABLETS | 00034 0513 XX | 2 |
| MS-CONTIN 30 MG | TABLETS | 00034 0515 XX | 2.5 |
| MS-CONTIN 60 MG | TABLETS | 00034 0516 XX | 2.5 |
| ORAMORPH | 15 MG | | 2.5 |
| ORAMORPH | 30 MG | | 2.5 |
| ORAMORPH | 60 MG | | 2.5 |
| ORAMORPH | 100 MG | | 2 |
| OXYCONTIN | 10 MG | 59011 0100 XX | 2 |
| OXYCONTIN | 20 MG | 59011 0103 XX | 2 |
| OXYCONTIN | 40 MG | 59011 0105 XX | 2 |
| | ***NSAIDs*** | | |
| DARVOCET-N | 100 Tab | 00002-0363-XX | 4 |
| DARVOCET-N | 50 Tab | 00002-0351-XX | 4 |
| PROPOXYPHENE | All Strengths | All Manufacturers | 4 |
| ULTRAM | 50 MG TAB | 00045-0659-XX | 4 |

## EXHIBIT C: FORMAT FOR ELECTRONIC DATA SUBMISSION

| | | *HEADER RECORD* | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| | | | COLUMNS | | FIELD | FIELD | |
| | | FIELD DESCRIPTION | FROM | THRU | SIZE | TYPE | FIELD VALUES |
| | | | | | | | |
| C | J | Record Type | 1 | 1 | 1 | A/N | H=Header Record |
| C | J | Action Code | 2 | 3 | 2 | A/N | 00=Original; 02=Adjustment; 05=Replace |
| | | | | | | | 00=Initial submission of data. This is the first submission for the given rebate period. |
| | | | | | | | 02=Correction/adjustment to a previous submission. These incremental/decremental must correspond to a previous rebate period and batch number. |
| | | | | | | | 05=Submission replaces in entirety a previous submission w/corresponding rebate period and batch number. |
| C | J | Transmission Date | 4 | 11 | 8 | Date | CCYYMMDD - Date transmission was created. |
| | | Batch Number | 12 | 26 | 15 | A/N | Unique number that identifies the batch. |
| C | J | Contract Number | 27 | 41 | 15 | A/N | Contract number agreed upon between trading partners. |
| | | Reference Number | 42 | 56 | 15 | A/N | Unique number that identifies the whole transmission. |
| C | J | Rebate Start Date | 57 | 64 | 8 | Date | CCYYMMDD |
| C | J | Rebate End Date | 65 | 72 | 8 | Date | CCYYMMDD |
| C | J | PMO (Pharm Mgmt Org) Id Qualifier | 73 | 74 | 2 | A/N | 1=D&B; 9=D&B plus 4; 11=DEA #; 12=Telephone #; 21=HIN #; SL=State; ZZ=Mutually agreed |
| C | J | PMO (Pharm Mgmt Org) Id Code | 75 | 91 | 17 | A/N | |
| | | PMO (Pharm Mgmt Org) Name | 92 | 121 | 30 | A/N | |
| C | J | Submitter (Third Party) Id Qualifier | 122 | 123 | 2 | A/N | 1=D&B; 9=D&B plus 4; 11=DEA #; 12=Telephone #; 21=HIN #; SL=State; ZZ=Mutually agreed |
| C | J | Submitter (Third Party) Id Code | 124 | 140 | 17 | A/N | |
| | | Submitter (Third Party) Name | 141 | 170 | 30 | A/N | |
| C | J | PICO (Contract Org) Id Qualifier | 171 | 172 | 2 | A/N | 1=D&B; 9=D&B plus 4; 11=DEA #; 12=Telephone #; 21=HIN #; SL=State; ZZ=Mutually agreed |
| C | J | PICO (Contract Org) Id Code | 173 | 189 | 17 | A/N | |
| | | PICO (Contract Org) Name | 190 | 219 | 30 | A/N | |
| | | Filler | 220 | 362 | 143 | A/N | |
| | | TOTAL | | | 362 | | |
| | | *DETAIL RECORD* | | | | | |
| | | | | | | | |
| | | | COLUMNS | | FIELD | FIELD | |
| | | FIELD DESCRIPTION | FROM | THRU | SIZE | TYPE | FIELD VALUES |
| | | | | | | | |
| C | J | Record Type | 1 | 1 | 1 | | D=Detail Record |
| C | J | Line Number | 2 | 16 | 15 | | Unique number that identifies the record. |
| C | J | Data Level | 17 | 18 | 2 | A/N | CP=Contract Org\Prescription Level; CI=Contract Org\Pharmacy ID; CZ=Contract Org\Pharmacy Zip; CN=Contract Org\NDC; PP=Plan\Prescription Level; PI=Plan\Pharmacy ID; PZ=Plan\Pharmacy Zip; PN=Plan\NDC; ZZ=Mutually agreed |
| C | J | Plan Identification Qualifier | 19 | 20 | 2 | A/N | DH= DEA #; HI=HIN #; ZZ=Mutually Agreed |
| C | J | Plan Identification Code | 21 | 37 | 17 | A/N | |
| | | Plan Name | 38 | 67 | 30 | A/N | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | J | Pharmacy Identification Qualifier | 68 | 69 | 2 | A/N | 1=D&B; 9= D&B plus 4; 11=DEA #; 12=Telephone #; 21=HIN #; 93=Vendor Assigned #; PP=NABP #; FI=Federal Taxpayer's ID # |
| | J | Pharmacy Identification Code | 70 | 86 | 17 | A/N | |
| | | Pharmacy Zip | 87 | 95 | 9 | A/N | |
| C | J | Product Code Qualifier | 96 | 97 | 2 | A/N | N4=NDC; UI=UPC; TP=Ther. Class; ZZ=Mutually agreed |
| C | J | Product Code | 98 | 109 | 12 | A/N | |
| C | J | Product Description | 110 | 139 | 30 | A/N | |
| | | Product Selection Code | 140 | 141 | 2 | | |
| | | Diagnosis Code | 142 | 151 | 10 | | |
| | | Days Supply | 152 | 163 | 12 | | S99999999999 |
| C | J | Metric Decimal Quantity | 164 | 175 | 12 | | S99999999V999 |
| C | J | Unit of Measure | 176 | 177 | 2 | A/N | EA=Each; GM=Grams; ML=Milliliters |
| C | J | Dosage Form | 178 | 180 | 3 | A/N | |
| C | J | Prescription Type | 181 | 181 | 1 | | S9 (For Prescription level send values of 1, 0, -1) |
| C | J | Number of Prescriptions | 182 | 191 | 10 | | S999999999 (Summary level send number of prescriptions) |
| | J | Prescription Number | 192 | 198 | 7 | A/N | |
| | J | Prescription Fill Date | 199 | 206 | 8 | Date | CCYYMMDD |
| | J | Prescription Paid Date | 207 | 214 | 8 | Date | CCYYMMDD |
| | | Plan Reimbursement Qualifier | 215 | 216 | 2 | A/N | |
| | | Plan Reimbursement | 217 | 227 | 11 | | S999999999V99 |
| | | Patient Liability | 228 | 238 | 11 | | S999999999V99 |
| | J | New/Refill Code | 239 | 240 | 2 | A/N | 00=Original; 01=First Refill; 02=Second Refill, etc. |
| C | J | Market Share Indicator | 241 | 241 | 1 | A/N | Y=Market Share Information only; N=Drug actually utilized by program/plan |
| | | Rebate Per Unit | 242 | 252 | 11 | | S99999V999999 |
| | | Requested Rebate | 253 | 263 | 11 | | S999999999V99 |
| C | J | Formulary ID | 264 | 272 | 9 | A/N | |
| | | Prescriber Identification Qualifier | 273 | 274 | 2 | A/N | 11=DEA #; 12=Telephone #; 21=HIN #; ZZ=Mutually Agreed |
| | | Prescriber Identification Code | 275 | 291 | 17 | A/N | |
| | J | Encrypted Patient Identification Code | 292 | 308 | 17 | A/N | |
| | | Filler | 309 | 362 | 54 | A/N | |
| | | | | | | | |
| | | TOTAL | | | 362 | | |
| | | | | | | | |
| | | *TRAILER RECORD* | | | | | |
| | | | COLUMNS | | FIELD | FIELD | |
| | | FIELD DESCRIPTION | FROM | THRU | SIZE | TYPE | FIELD VALUES |
| C | J | Record Type | 1 | 1 | 1 | A/N | T=Trailer |
| C | J | Action Code | 2 | 3 | 2 | A/N | 00=Original; 02=Adjustment; 05=Replace |
| | | | | | | | 00=Initial submission of data. This is the first submission for the given rebate period. |
| | | | | | | | 02=Correction/adjustment to a previous submission. These incremental/decremental must correspond to a previous rebate period and batch number. |
| | | | | | | | 05=Submission replaces in entirety a previous submission with corresponding rebate period and batch numbers. |
| C | J | Transmission Date | 4 | 11 | 8 | Date | CCYYMMDD - Date transmission was created |
| | | Batch Number | 12 | 26 | 15 | A/N | Unique number that identifies the bach |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| C | J | Contract Number | 27 | 41 | 15 | A/N | Contract number agreed upon between trading partners |
| | | Reference Number | 42 | 56 | 15 | | Unique number that identifies the whole transmission |
| C | J | Rebate Start Date | 57 | 64 | 8 | Date | CCYYMMDD |
| C | J | Rebate End Date | 65 | 72 | 8 | Date | CCYYMMDD |
| C | J | PMO (Pharm Mgmt Org) Id Qualifier | 73 | 74 | 2 | A/N | 1=D&B; 9=D7B plus 4; 11=DEA #; 12=Telephone #; 21=HIN #; SL=State; ZZ=Mutually agreed |
| C | J | PMO (Pharm Mgmt Org) Id Code | 75 | 91 | 17 | A/N | |
| | | PMO (Pharm Mgmt Org) Name | 92 | 121 | 30 | A/N | |
| C | J | Submitter (Third Party) Id Qualifier | 122 | 123 | 2 | A/N | 1=D&B; 9=D7B plus 4; 11=DEA #; 12=Telephone #; 21=HIN #; SL=State; ZZ=Mutually agreed |
| C | J | Submitter (Third Party) Id Code | 124 | 140 | 17 | A/N | |
| | | Submitter (Third Party) Id Name | 190 | 219 | 30 | A/N | |
| C | J | PICO (Contract Org) Id Qualifier | 171 | 172 | 2 | A/N | |
| C | J | PICO (Contract Org) ID Code | 173 | 189 | 17 | A/N | |
| | | PICO (Contract Org) Name | 190 | 219 | 30 | A/N | |
| C | J | Total Metric Decimal Quantity | 220 | 233 | 14 | | S99999999999V999 |
| | | Total Requested Amount | 234 | 244 | 11 | | S999999999V99 |
| | | Total Record Count | 59 | 68 | 10 | | S999999999 |
| | | Filler | 255 | 362 | 108 | A/N | |
| | | TOTAL | | | 362 | | |

## Non-Quantitative Requirements
(To be administered by Manager)

**Manager Requirement Checklist**

Must be filled out completely by Manager and sent to Supplier's Contract Administration group described on the cover page of this Agreement on a quarterly basis with rebate submissions. If checklist is not received, no payments will be made.

**Product Specific Issues**

**Mandatory Brand Interchange** - If contract specifies a Mandatory Brand Interchange for any product, the required documentation per contract terms must be supplied on a quarterly basis with rebate submissions.

Note: Contract terms grant Supplier a specific amount of time from the time rebate submissions are received (i.e. 60 days) to make payments. The count does not begin until a complete rebate submission is received. Completeness is defined as all the proper report formats and the above stated requirements.

Johnson & Johnson Health Care Systems Inc.
Non-Market Share Based Performance Requirement Checklist (To Be Completed by OMNICARE Every Quarter)

mpany Name: Omnicare, Inc.
Quarter: ______
lans Covered: ______ (Fill Form For Every Distinct Benefit Design)
Formulary ID: ______

*Please place an (X) in the appropriate column for all products that are on contract to signify compliance with contract terms.*

| Product Description | Not on Formulary | On Formulary with: Designated "ACCEPTABLE" or Better | No Restrictions | Preferred Status | Exclusive Status | Prior Authorization Required (Description) | NDC Block/Hard Edit in Favor | Without Any Competitive Disadvantage | ACTIVE INTERVENTION PROGRAM(S) | Target List of "High" Prescribers of Competitive Agents to Supplier | Other (*) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| DURAGESIC | | | | | | | | | | | |
| FLOXIN | | | | | | | | | | | |
| LEVAQUIN | | | | | | | | | | | |
| ONE TOUCH | | | | | | | | | | | |
| PROCRIT | | | | | | | | | | | |
| PROPULSID | | | | | | | | | | | |
| RISPERDAL | | | | | | | | | | | |
| SPORANOX | | | | | | | | | | | |
| ULTRAM | | | | | | | | | | | |

* *Any other requirements specified in contract terms that are not listed herein.*

**Authorized Signature:** ______
**Name:** ______
**Date:** ______

## EXHIBIT D: SCHEDULE OF QUALIFYING INTERVENTIONS

To be developed at a joint Supplier-Manager business planning meeting. Such meeting shall take place within thirty (30) days of executing this Agreement and will be arranged by the Supplier. Once developed, the Schedule of Qualifying Interventions, shall be reviewed during annual business planning meetings. During the meeting, the Schedule will be revised and performance goals evaluated. The meeting shall also provide the forum to consider addition of Strategic Products for the annual Strategic Product Performance Rebate incentive.

The Strategic Brand Performance Rebate shall be earned if and only if all of the following criteria have been fulfilled:

**PERIOD: April 1, 1997 through March 31, 1998 (To be Confirmed)**

| PRODUCT | PERFORMANCE REQUIRED (1) | ACTIVE INTERVENTION PROGRAMS TO BE IMPLEMENTED BY MANAGER |
|---|---|---|
| RISPERDAL® | Tier 3 | TBD at joint business planning session between the two parties. |
| FLOXIN® | Tier 1 | TBD at joint business planning session between the two parties. |
| ULTRAM® | Tier 2 | TBD at joint business planning session between the two parties. |
| DURAGESIC® | Tier 2 | TBD at joint business planning session between the two parties. |

(1) As per the **Performance Measurement and Rebate Matrix** schedule. Manager's performance will be evaluated at the end of the period as described in point #2 in "**Performance Measurement and Rebate Eligibility**" section.

## EXHIBIT E: LIST OF MANAGER OWNED CLOSED PHARMACIES
**(Participating Sites to the Agreement)**

MANAGER: ____________________

Contract No: ____________________
Contract Date: ____________________

Facility Name:

Address:

Phone and FAX Number:

Contact Name:

Facility ID Number (e.g. DEA#, HIN...)

# EXHIBIT F: LIST OF PRIME VENDORS

Prime Vendor Name:

Address:

Phone and FAX Number:

Contact Name:

ID Number (e.g. DEA#...)

## EXHIBIT G: CERTIFICATION OF "OWN USE" FOR EACH PARTICIPATING SITE

Name of Participating Site: ______________________ MANAGER: ______________

Address: ______________________ Contract No: ______________

______________________

______________________ Contract Date: ______________

DEA#: ______________

I certify that the above-mentioned Participating Site is not engaged in retail sales and that all items purchased through the above-referenced Agreement (hereafter the "Agreement") will be utilized for Participating Sites' own operations and otherwise consistent with the established guidelines based on the United States Supreme Court decision in Abbott Laboratories, et. al, vs Portland Retail Druggists Association, et. al. As used herein, any and all merchandise purchased under the Agreement shall be for our own use and not for resale or in competition with private sector pharmacies. The phrase "own use" is limited to the following:

• Dispensing of the pharmaceutical or Durable Medical Equipment (DME) Products to Residents by Participating Site(s) while resident of any healthcare facilities serviced exclusively by a Closed Pharmacy;

• Dispensing of the Product to Residents upon their discharge from any healthcare facility serviced exclusively by Closed Pharmacy as take-home prescriptions or supplies necessary for a limited and reasonable time as continuation of treatment;

• Dispensing of the pharmaceutical or DME Products to Manager's employees or employees of facilities serviced by Participating Site(s) for their own use or the use of their dependents (but not for the use of their non-dependent family members); or

• Dispensing of the pharmaceutical or DME Products to a staff member physician in a facility serviced by Manager for his or her personal use, or for the use of his or her dependents (but not other persons or for use in the physicians' private practice).

I further represent and warrant that this Participating Site shall not buy, distribute, sell, transfer, or use pharmaceutical and DME products priced under this Agreement or cause the distribution of such Products in any manner contrary to the requirements of "own use" or any terms and conditions contained in the Agreement. Further, I understand that applicable Federal and state laws may impose penalties for any such violations. If Supplier shall reasonably determine that a Participating Site is using the Products for any other purpose, it shall have the right to immediately terminate the Agreement with respect to such Participating Site and to refuse to accept any further orders under the Agreement from or on behalf of such Participating Site.

Manager Representative:

______________________ ______________

Authorized Name (Print or Type) Date

______________________

Title

______________________

Signature