

2017 Staff Pharmacist Incentive Plan

This cover page is designed to provide a high level overview of the 2017 Staff Pharmacist Incentive Plan. Refer to the full Plan document (attached) for all applicable Plan terms and conditions. In the event of any conflict, the full Plan document governs.

Refer to pages:

Incentive Plan Eligible Position

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Full-time Staff Pharmacists and Pharmacist Floaters are eligible to participate in the Staff Pharmacist Incentive Plan.

Incentive Opportunity

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Incentive targets are determined at the end of the Plan Year, based on his/her store's average weekly script volume, and encompass all elements of the work effort in filling a prescription.

Store Incentive Level (Reference)	Average Weekly Script Volume (Number of Scripts)**		Staff Pharmacist Incentive	
	From	To	Target	Maximum
1	0	499	\$500	\$1,320
2	500	999	\$750	\$1,980
3	1,000	1,499	\$1,000	\$2,640
4	1,500	1,999	\$1,500	\$3,960
5	2,000	2,499	\$1,750	\$4,620
6	2,500	2,999	\$2,000	\$5,280
7	3,000	3,499	\$2,250	\$5,940
8	3,500	9,999	\$2,500	\$6,600

** Prescriptions for all controlled substances are excluded from the budget and actual results for the purposes of this Plan.

Incentive Plan Metrics

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The incentive is based on the Pharmacist store's performance in the following metrics:

Metric	Results Measured Against	Measurement Tool	Percent (%) of Incentive at Target
Script Count*	Store Budget	P & L	30%
myPatient Care Outcomes(mPC)	Store Target	mPC Scorecard	30%
myCustomer Experience - Rx	Store Result	mSH/mCE Rating	20%
Community Responsibility-Rx	Store Result	mSH/CR Rating	20%

* Prescriptions for all controlled substances are excluded from the budget and actual results for the purposes of this Plan.

Required Performance Levels

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The payment a Pharmacist would receive for the store exactly meeting each of the established metric goals is called the target payout. The target payment can increase or decrease based on his/her store's performance on each metric.

Metric	Minimum Performance Level Required to Earn a Payout	Performance Level Required to Earn Target Payout	Performance Level Required to Earn the Maximum Payout
Script Count	96% of Budget	100% of Budget	110% of Budget
myPatient Care Outcomes(mPC)	65 Points	77 Points	90 Points
myCustomer Experience - Rx	mSH/mCE Score = 2	mSH/mCE Score = 3	mSH/mCE Score = 5
Community Responsibility-Rx	mSH/CR rating = 3	mSH/CR rating = 3	mSH/CR rating = 5

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I. Plan Objectives

CVS Health (the “Company”) has developed the 2017 Staff Pharmacist Incentive Plan (the “Plan”) to reward Eligible Participants for their role in driving performance. Incentive awards are based on actual results measured against pre-established financial, customer experience, and community responsibility goals.

II. Plan Year

The Plan is a calendar year plan, which runs from January 1 to December 31, 2017 (the “Plan Year”).

III. Eligibility

In order to be an Eligible Participant, an individual must be actively employed by CVS Health or one of its subsidiaries in the Staff Pharmacist role on or before November 1 of the Plan Year. Further, an Eligible Participant must continue in active employment and be in good standing at all times through the date on which an award is finalized (on or before the March 1st following the Plan Year), and be in an incentive eligible position through December 31.

A. New Participants

An employee will be eligible for an incentive award for the Plan Year if he or she becomes an Eligible Participant on or before November 1 of the Plan Year. An incentive will be prorated based on the number of days in the incentive eligible position during the Plan Year.

B. Transfers

If an Eligible Participant is transferred to a non-Staff Pharmacist role prior to the end of the Plan Year the Eligible Participant may be eligible to receive a prorated award for the amount of time in the incentive eligible position, provided all other eligibility requirements are met. In no event shall an individual receive payments under the Plan and any other incentive plan for the same part of the Plan Year.

C. Terminations

Except as otherwise provided in the Plan, Eligible Participants who are not actively employed as of the date on which an award is finalized (on or before March 1st following the Plan Year) shall not be eligible to receive an award.

D. Rehires

Employees who are rehired as Eligible Participants in an incentive eligible position on or before November 1st of the Plan Year may be eligible to receive a prorated incentive award. For purposes of proration, credit will only be given for time worked during the Plan Year in an incentive-eligible position.

IV. Plan Payout

A. Timing

Incentive awards for the Plan Year will be paid in a lump sum subject to all applicable payroll deductions on or before March 15th of the calendar year following the Plan Year.

B. Calculations

Calculations, for both full and partial awards, will be based on the Eligible Participant's annual base salary as of the last day of the Plan Year and the number of days worked in each incentive eligible position.

C. No Guarantee

CVS Health reserves the sole and absolute discretion to determine the amount, if any, of an award under the Plan and to reduce or eliminate entirely any award to an Eligible Participant for any reason, including if CVS Health determines, in its sole discretion, that an individual (i) violated a CVS Health policy, (ii) failed to meet significant performance standards or (iii) engaged in conduct that results, or could result, in criminal or civil charges, fines, penalties, expenses or other costs to CVS Health.

V. Performance Metrics

The Staff Pharmacist's incentive targets are determined at the end of the Plan Year, based on his/her store's average weekly script volume, and encompass all elements of the work effort in filling a prescription.

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Metric	Results Measured Against	Measurement Tool	Percent (%) of Incentive at Target
Script Count*	Store Budget	P & L	30%
myPatient Care Outcomes(mPC)	Store Target	mPC Scorecard	30%
myCustomer Experience - Rx	Store Result	mSH/mCE Rating	20%
Community Responsibility-Rx	Store Result	mSH/CR Rating	20%

* Prescriptions for all controlled substances are excluded from the budget and actual results for the purposes of this Plan.

The payment he/she would receive for the store exactly meeting each of the established metric goals is called the target payout. The target payment can increase or decrease based on his/her store's performance on each metric.

Metric	Minimum Performance Level Required to Earn a Payout	Performance Level Required to Earn Target Payout	Performance Level Required to Earn the Maximum Payout
Script Count	96% of Budget	100% of Budget	110% of Budget
myPatient Care Outcomes(mPC)	65 Points	77 Points	90 Points
myCustomer Experience - Rx	mSH/mCE Score = 2	mSH/mCE Score = 3	mSH/mCE Score = 5
Community Responsibility-Rx	mSH/CR rating = 3	mSH/CR rating = 3	mSH/CR rating = 5

The target payout is earned by exactly meeting performance goals in each of the metrics. Individual targets are set based on average weekly script volume, as follows:

Average Weekly Script Volume		Store Incentive Level (For Reference)	Staff Pharmacist Incentive Target
From	To		
0	499	1	\$500
500	999	2	\$750
1,000	1,499	3	\$1,000
1,500	1,999	4	\$1,500
2,000	2,499	5	\$1,750
2,500	2,999	6	\$2,000
3,000	3,499	7	\$2,250
3,500	9,999	8	\$2,500

Weekly script volume is determined at the end of the Plan Year, and is based on the total scripts filled during the Plan Year divided by the number of weeks the store was open during the Plan Year.

A. Script Count

This metric measures actual scripts filled for the Plan Year against budgeted scripts for the Plan Year. The actual weekly script volume performance is determined and measured against target at the end of the Plan Year and is based on the total scripts filled during the Plan Year divided by the number of weeks the Pharmacy was open during the Plan Year. The incentive payout increases incrementally with performance between 96% and 110% of budget. Prescriptions for all controlled substances are excluded from the budget and actual results for the purposes of the Plan.

B. myPatient Care Outcomes(mPC)

The myStore Health Scorecard will be used to measure the store's performance for this segment against the goal established for the store. The mPC target is determined by store on a semi-annual basis; the incentive will be measured semi-annually, and paid annually. The annual mPC payout will be the sum of the two semi-annually payouts.

C. myCustomer Experience - Pharmacy

This segment of the incentive measures the Participant's performance against CVS's myCustomer Experience - pharmacy goals. If the store's myCustomer Experience – pharmacy target is met or exceeded, no deductions are taken from the incentive. If the year-end achievement is less than the store's myCustomer Experience - pharmacy goal, this portion of the incentive will be decreased accordingly.

D. Community Responsibility

This segment of the incentive measures the store's performance against CVS's Community Responsibility Scorecard. The final overall CR score as reflected on the My Store health scorecard will be used to determine the payout under this portion of the Plan.

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VI. Plan Administration

A. Participant Performance

To be eligible to earn an incentive award, an Eligible Participant must be in good standing (e.g., not on probation, written warning or any disciplinary/performance action plan) throughout the Plan Year and at all times prior to finalization of the Eligible Participant's incentive award.

B. Leaves of Absence

An Eligible Participant on an approved leave of absence at any time during the Plan Year who remains employed in an eligible position as of the last day of the Plan Year will earn a prorated incentive award based on the number of days actively worked (including time compensated as vacation, myTime or Paid Time Off ("PTO")) during the Plan Year, provided he or she meets all other eligibility criteria for an incentive award.

Employees who return from a company-approved workers compensation leave of absence to a Temporary Restricted Duty position will be considered to be in an ineligible position while on Temporary Restricted Duty. However, the employee will be eligible to receive a prorated incentive which will be based on the amount of time actively at work in an incentive eligible position during the Plan Year.

C. Reduction in Force, Retirement and Death

1. Reduction in Force

If an Eligible Participant is separated from employment by CVS Health on or before the last day of the Plan Year due to a reduction in force, he or she may be eligible, at the Company's discretion, to receive a prorated incentive award provided the Eligible Participant meets all other eligibility criteria for an incentive award. Any incentive will be paid at the same time as other incentives are paid generally under the Plan.

2. Retirement

If an Eligible Participant is at least age 55 and has a minimum of 10 years of service with CVS Health or a predecessor company/subsidiary **or** is at least age 60 and has a minimum of 5 years of service with CVS Health or a predecessor company/subsidiary **and** the Eligible Participant retires before the end of the Plan Year, he/she may be eligible for a prorated incentive provided he/she meets all other eligibility criteria for an incentive award. Any incentive will be paid at the same time as other incentives are paid generally under the Plan. Eligible Participants who do not meet the minimum retirement requirements under this section at the time of retirement will not be eligible for an incentive award in the Plan Year.

3. Death

In case of the death of an Eligible Participant, a prorated incentive award may be paid to the Eligible Participant's spouse, if living; otherwise, in equal shares to surviving children of the Eligible Participant. If there are no surviving children, the benefit shall be paid to the Eligible Participant's estate. Any incentive award will be paid at the same time as other incentives are paid generally under the Plan.

4. Proration

For purposes of this section, any proration shall be determined on a daily basis.

D. No Promise of Continued Employment

The Plan does not create an express or implied contract of employment between CVS Health and an Eligible Participant or any other person. Both CVS Health and the Eligible Participant retain the right to terminate the employment relationship at will, at any time and for any reason.

E. Rights are Non-Assignable

Neither the Eligible Participant, nor any beneficiary or, nor any other person, shall have any right to assign, in whole or in part, the right to receive payments under the Plan. Payments are non-assignable and non-transferable, whether voluntarily or involuntarily, and any attempted assignment of transfer will be deemed null and void.

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F. Compliance with Applicable Law

An Eligible Participant must comply with all applicable state and federal regulations and CVS Health policies to be eligible to receive an incentive award under the Plan.

G. Change in Control

In the event of a change in control of CVS Health, as defined in the 2010 Incentive Compensation Plan ("ICP"), the Plan shall remain in full force and effect. Any amendments, modifications, termination or dissolution of the Plan by the acquiring entity may only occur prospectively and will not affect incentive targets or awards or eligibility before the date of the change in control, or such date as it may be modified or dissolved by the acquiring entity.

Provisions regarding the payment of annual incentive awards that are set forth in Change in Control agreements with eligible employees shall supersede those appearing in the Plan.

H. 2010 Incentive Plan

Capitalized terms not otherwise defined herein shall have the meaning assigned to such defined term(s) in the ICP. In the event of any conflict between the ICP and the Plan, the terms of the ICP shall govern.

I. Withholding

All required deductions will be withheld from the incentive awards prior to distribution. This includes all applicable federal, state, or local taxes, as well as any eligible 401(k) deductions and deferred compensation contributions as defined by the applicable plans. Incentive awards that are deferred will be taxed according to applicable federal and state tax law. Each Eligible Participant shall be solely responsible for any tax consequences of his or her award hereunder.

J. Plan Amendment/Modification/Termination

CVS Health retains the right to amend, modify, or terminate the Plan at any time on or before the last day of the Plan Year for any reason, with or without notice to Eligible Participants.

K. Requests for Adjustments or Review

Any request for an adjustment or review with respect to an incentive payment calculation, determination or decision under the Plan must be submitted by the Eligible Participant in writing to his or her Human Resources Business Partner within thirty (30) days following the date the incentive award payments are made under the Plan. To the extent permitted by applicable law, an Eligible Participant's failure to timely request review or adjustment of a payment determination or error may result in the forfeiture of any unpaid amount.

L. Recoupment of Incentive Awards Due to Fraud or Financial Misconduct

If the Board determines that an event has occurred that subjects a recipient of a Plan award to recoupment under CVS Health's recoupment policy, as in effect from time to time, the Plan award recipient shall immediately repay to CVS Health the entire pre-tax incentive award received by the Plan award recipient, or a portion thereof as determined by the Board. If a Plan award recipient fails to repay his or her entire pre-tax incentive award (or portion thereof) immediately upon request by the Board, CVS Health may seek reimbursement of such amount from the Plan award recipient by reducing salary or any other payments that may be due to the Plan award recipient, to the extent legally permissible, and/or through initiating a legal action to recover such amount, which recovery shall include any reasonable attorneys' fees incurred by CVS Health in bringing such action. If a Plan award recipient has deferred payment of any portion of an incentive award that is subject to repayment hereunder, the amount of the Plan award recipient's deferred compensation accrual shall be reduced by the amount subject to repayment and by Company matching amounts and earnings on such amount.

M. Section 409A of the Internal Revenue Code

CVS Health intends that the Plan not violate any applicable provision of, or result in any additional tax or penalty under, Section 409A of the Code, as amended, and the regulations and guidance thereunder (collectively, "Section 409A"), and that to the extent any provisions of the Plan do not comply with Section 409A the Company will make such changes as it deems reasonable in order to comply with Section 409A. Payments hereunder are intended to qualify as short-term deferral payments under Section 409A. In all events, the provisions of CVS Health Corporation's Universal 409A Definition Document are hereby incorporated by reference, and

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notwithstanding the any other provision of the Plan or any Award to the contrary, to the extent required to avoid a violation of the applicable rules under Section 409A by reason of Section 409A(a)(2)(B)(i) of the Code (requiring certain delays for "specified employees"), payment of any amounts subject to Section 409A shall be delayed until the first business day of the seventh (7th) month following the date of termination of employment. For purposes of any provision of the Plan providing for the payment of any amounts or benefits in connection with a termination of employment, references to an Eligible Participant's "termination of employment" (and corollary terms) shall be construed to refer to the Eligible Participant's "separation from service" with the Company as determined under Section 409A.

VII. Company-Wide Pool

Notwithstanding anything to the contrary, as of the end of each Plan Year an aggregate annual plan pool shall be deemed to be established under the Plan and the other incentive plans of CVS Health for such Plan Year (the "Plan Year Aggregate Pool"). The Plan Year Aggregate Pool for a Plan Year shall be the product of (A) the sum of the amounts that would be payable under each separate Company incentive plan to each Eligible Participant in such plan in strict accordance with the store-by-store and participant-by-participant calculation methodologies set forth in each such plan if full incentive payment checks were issued to each Eligible Participant as of the last day of such Plan Year, multiplied by (B) the Applicable Percentage. The "Applicable Percentage" with respect to a Plan Year shall be the percentage established in writing and confirmed by the affirmative or negative assent of the senior officers of the CVS Health Compensation Department; provided, however, that if there is any irresolvable uncertainty regarding the Applicable Percentage with respect to any Plan Year, the Applicable Percentage for that Plan Year shall be 92.5%.

The aggregate amount of the annual incentives paid under the Plan and the other incentive plans of CVS Health in respect of a Plan Year will not be less than the Plan Year Aggregate Pool for such Plan Year. Eligible Participants who are active employees in an incentive eligible position as of the end of the Plan Year and as of the actual check distribution date for incentives under the Plan and the other incentive plans of CVS Health in respect of such Plan Year shall, as a group, have a legal right to receive incentives the sum of which is at least equal to the Plan Year Aggregate Pool for such Plan Year, but no individual Eligible Participant shall be entitled to receive an incentive payment or any specific amount or portion of the Plan Year Aggregate Pool for such Plan Year, and the incentive amount payable to any Eligible Participants who terminate active employment in an incentive eligible position prior to the check distribution date for such Plan Year will be reallocated to Eligible Participants who are active employees in an incentive eligible position as of the check distribution date for such Plan Year using a reallocation methodology determined in the sole discretion of CVS Health.

If CVS Health fails to honor the above provisions in this section VIII of the Plan, injured Eligible Participants as a class shall have legal standing to enforce this section VIII against CVS Health, and CVS Health waives any objection to such standing. To discourage unmerited litigation, any party or class asserting a challenge or claim against CVS Health under any provision of the Plan, including this section VIII, shall bear their own costs relating to such challenge or claim, and if the challenge or claim is unsuccessful, such party or class shall reimburse CVS Health for all reasonable costs incurred by CVS Health in responding to such challenge or claim.

Any amendment of the provisions of this Section VIII by CVS Health shall only be effective with respect to a Plan Year if such amendment is made prior to the end of such Plan Year.

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APPENDIX: Staff Pharmacist Incentive Payout Grids

<i>Scripts to Budget Result</i>	Store Incentive Level (Reference to Avg. Weekly Script Volume)							
	1	2	3	4	5	6	7	8
110%+	\$900	\$1,350	\$1,800	\$2,700	\$3,150	\$3,600	\$4,050	\$4,500
109%	\$830	\$1,240	\$1,650	\$2,480	\$2,890	\$3,300	\$3,710	\$4,130
108%	\$750	\$1,130	\$1,500	\$2,250	\$2,630	\$3,000	\$3,380	\$3,750
107%	\$680	\$1,010	\$1,350	\$2,030	\$2,360	\$2,700	\$3,040	\$3,380
106%	\$600	\$900	\$1,200	\$1,800	\$2,100	\$2,400	\$2,700	\$3,000
105%	\$530	\$790	\$1,050	\$1,580	\$1,840	\$2,100	\$2,360	\$2,630
104%	\$450	\$680	\$900	\$1,350	\$1,580	\$1,800	\$2,030	\$2,250
103%	\$380	\$560	\$750	\$1,130	\$1,310	\$1,500	\$1,690	\$1,880
102%	\$300	\$450	\$600	\$900	\$1,050	\$1,200	\$1,350	\$1,500
101%	\$230	\$340	\$450	\$680	\$790	\$900	\$1,010	\$1,130
100%	\$150	\$225	\$300	\$450	\$525	\$600	\$675	\$750
99%	\$110	\$170	\$230	\$340	\$390	\$450	\$510	\$560
98%	\$100	\$150	\$210	\$310	\$360	\$410	\$460	\$520
97%	\$90	\$140	\$190	\$280	\$330	\$380	\$420	\$470
96%	\$80	\$130	\$170	\$250	\$300	\$340	\$380	\$420
95% or lower	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<i>Semi-annual mPC Result</i>	Store Incentive Level (Reference to Avg. Weekly Script Volume)							
	1	2	3	4	5	6	7	8
90 - 100 Points	\$90	\$135	\$180	\$270	\$315	\$360	\$405	\$450
83 - 89 Points	\$83	\$124	\$165	\$248	\$289	\$330	\$371	\$413
77 - 82 Points	\$75	\$113	\$150	\$225	\$263	\$300	\$338	\$375
70 - 76 Points	\$60	\$90	\$120	\$180	\$210	\$240	\$270	\$300
65 - 69 Points	\$45	\$68	\$90	\$135	\$158	\$180	\$203	\$225
< 65 Points	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<i>mCE - Pharmacy Score</i>	Store Incentive Level (Reference to Avg. Weekly Script Volume)							
	1	2	3	4	5	6	7	8
5 (5.0 Only)	\$120	\$180	\$240	\$360	\$420	\$480	\$540	\$600
4 (4.0 - 4.9)	\$110	\$165	\$220	\$330	\$385	\$440	\$495	\$550
3 (3.0 - 3.9)	\$100	\$150	\$200	\$300	\$350	\$400	\$450	\$500
2 (2.0 - 2.9)	\$50	\$75	\$100	\$150	\$175	\$200	\$225	\$250
1 (1.0 - 1.9)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<i>My Store Health Community Responsibility Rating</i>	Store Incentive Level (Reference to Avg. Weekly Script Volume)							
	1	2	3	4	5	6	7	8
5	\$120	\$180	\$240	\$360	\$420	\$480	\$540	\$600
4	\$110	\$165	\$220	\$330	\$385	\$440	\$495	\$550
3	\$100	\$150	\$200	\$300	\$350	\$400	\$450	\$500
2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0