

**COVIDIEN***positive results for life™***Customer Incentive Form**

**Customer and/or Group Name:** *Health Aid Company, Inc.*      **Agreement #:** *MS413485NCSS080113R*  
**Customer Address:** *4502 North Armenia Ave, Tampa, FL 33603*  
**Prepared By:** *Noelle Johnson*      **Phone:** *8214*      **Date:** *8/9/13*  
**Sales Contact Name:** *Rick Burgess/Jake Cox*      **Territory:** *HC207/HC200*

**Product Exhibit attached?**      ☒ **Yes**      ☐ **NA**  
**Customer Exhibit attached?**      ☐ **Yes**      ☒ **NA**

**Customer/Allied/SuperGroup Number:** *413485*  
**Start Date:** *8/13*      **End Date:** *7/16*  
**Duration of Agreement (months):** *36*  
**Type:** ☒ **New**      ☐ **Renewal**      ☐ **Extension**      ☐ **Amendment**      **Other:**  
**Members - Select One:**      ☐ **Yes**      ☒ **No (Customer is Stand Alone Facility)**  
**Customer Type:**      ☐ **Distributor**      ☒ **End-Customer**  
**Payments to be made:**      ☐ **Monthly**      ☐ **Quarterly**      ☒ **Annually**      **Other:**  
**Payments due in:**      ☐ **30 Days**      ☐ **60 Days**      ☒ **90 Days**      **Other:**  
**Progress to be tracked:**      ☐ **Monthly**      ☒ **Quarterly**      ☐ **Annually**      **Other:**

**Accrual Estimate by Division**

<input checked="" type="checkbox"/> <b>Nursing Care</b>	<b>Total Cash Award: \$6K</b>	<b>Marketing Funds: NA</b>
<input checked="" type="checkbox"/> <b>Sharps Safety</b>	<b>Total Cash Award: \$4K</b>	<b>Marketing Funds: NA</b>
<input type="checkbox"/> <b>Monitoring/OR</b>	<b>Total Cash Award:</b>	<b>Marketing Funds:</b>
<input type="checkbox"/> <b>Vascular</b>	<b>Total Cash Award:</b>	<b>Marketing Funds:</b>
<input type="checkbox"/> <b>Surgical Solutions</b>	<b>Total Cash Award:</b>	<b>Marketing Funds:</b>
<input type="checkbox"/> <b>CPS</b>	<b>Total Cash Award:</b>	<b>Marketing Funds:</b>

*Marketing Funds held in credit and used in the year following that in which it was earned.*

**Rebates: Base (rebate based on % of customer's sales)**NA ☐

**Rebate Name:** *Base Rebate*  
**Fee Percentage:** *2%*  
**Type of Sales Covered:**      ☐ **Direct Only**      ☐ **Traced Only**      ☒ **Both direct sales & traced through distributors**  
**Payments made on:**      ☒ **Total Sales**      ☐ **Contract Sales (contract numbers: )**  
**Category calculation:**      ☐ **all product categories**      ☒ **by category**  
**Payment Base Period:**      ☐ **Current Year/Term**      ☒ **Prior Year/Term**  
**Base sales applied to contract:** \$  
**To obtain rebate, what % of previous year's sales must the customer meet or exceed?**      *100%*  
**Details/Special Instructions:** *Pays 2% on prior year purchases per category when prior year volume in that category is met.*

**Rebates: Growth (rebate based on incremental growth over prior year's sales)**NA ☐

**Rebate Name:** *Growth Rebate*  
**Fee Percentage:** *3% on incremental sales*  
**Type of Sales Covered:**      ☐ **Direct Only**      ☐ **Traced Only**      ☒ **Both direct sales & traced through distributors**  
**Payments made on:**      ☒ **Total Sales**      ☐ **Contract Sales (contract numbers: )**  
**Category calculation:**      ☐ **all product categories**      ☒ **by category**  
**Payment Base:**      ☒ **Total Sales**      ☐ **Product Line/Sales Code (Please list):**  
**Prior Year Base Sales:**      ☒ **Yes**      ☐ **No**  
**If No, Base sales applied to rebate:** \$  
**To obtain rebate, what % of previous year's sales must the customer meet or exceed?**      *105%*  
**Does Growth Rebate have multiple tiers?**      ☐ **Yes (Please detail below)**      ☒ **No**  
**Details/Special Instructions:** *Pays 3% on incremental purchases per category when 5% growth in that category is met.*



**COVIDIEN**

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## Customer Incentive Form

**Rebates: Loyalty Incentive (rebate based on targeted sales)**

NA ☒

Rebate Program/Name:

Fee Percentage: \_\_\_\_\_ %

Type of Sales Covered: ☐ Direct Only ☐ Traced Only ☐ Both direct sales and traced through distributors

Payments made on: ☐ Total Sales ☐ Contract Sales (contract numbers: \_\_\_\_\_ )

Payment Base: ☐ Total Sales ☐ Product Line/Sales Code (Please list): \_\_\_\_\_

Base sales applied to rebate: \$ \_\_\_\_\_

To obtain rebate, what % of previous year's sales must the customer exceed? \_\_\_\_\_ %

Details/Special Instructions:

**Rebates: Other (Including Admin. Fees)**

NA ☒

Rebate Name:

Description:

Details/Special Instructions:

## REBATE AGREEMENT

This Rebate Agreement (this "Agreement") is dated as of August 1, 2013 (the "Effective Date") between Covidien Sales LLC, a Delaware limited liability company having a place of business at 15 Hampshire Street, Mansfield, Massachusetts 02048, acting through its Medical Supplies Segment ("Covidien"), and Health Aid Company, Inc., having its principal place of business at 4502 North Armenia Avenue, Tampa, FL 33603 ("Customer").

1. Definitions. As used in this Agreement, the following terms shall have the meanings specified below:
  - a. "Authorized Distributors" means distributors that are authorized by Covidien to sell Products to Customer under this Agreement and which agree to comply with the terms and conditions of Covidien's Distributor Policies and Procedures.
  - b. "Category" means each of the following categories of Products as listed on Attachment A.
  - c. "Contract Year" means the 12-month period commencing upon the first day of the term of this Agreement and each consecutive succeeding 12-month period during the term of this Agreement.
  - d. "Net Purchases" means the total purchase price paid by Customer to Covidien for Products purchased under this Agreement, net of returns, allowances, credits, rebates, taxes, freight, and insurance. To the extent that Customer purchases Products under this Agreement through Authorized Distributors, the Net Purchases of such Products shall be based on the purchase price, net of returns, allowances, credits, rebates, taxes, freight, and insurance, paid by the Authorized Distributor to Covidien and shall not include any service fees or mark-ups charged by the Authorized Distributor to the Customer.
  - e. "Prior Year's Purchases" shall mean (i) for purposes of determining any rebates hereunder for the first Contract Year, the Customer's aggregate purchases of Products from Covidien, net of returns, allowances, credits, rebates, taxes, freight and insurance, during the twelve-month period preceding the first day of the term of this Agreement, and (ii) for purposes of determining any rebates hereunder for each subsequent Contract Year, the Customer's aggregate Net Purchases during the preceding Contract Year.
  - f. "Products" means the products offered for sale by Covidien in each of the Categories.
2. Term. Unless terminated sooner in accordance with the provisions of this Agreement, the term of this Agreement shall be three (3) years as of the Effective Date.
3. Termination. Either party may terminate this Agreement immediately: (a) if the other party commits a material breach of any of the provisions of this Agreement and does not cure such breach within thirty (30) days after receipt of written notice thereof or (b) without cause, by giving the other party at least sixty (60) days prior written notice of such termination.
4. Terms and Conditions. The terms and conditions of sale (including payment terms, minimum order and handling charges, if any) for purchases by Customer hereunder shall be as set forth in a separate pricing agreement between Covidien and Customer in effect at the time of such purchase, or if no such pricing contract exists, then the terms and conditions of sale shall be Covidien's standard terms and conditions of sale. Terms of sale for purchases made through Authorized Distributors shall be negotiated by the Customer and the Authorized Distributor, and Customer shall be responsible for paying any service fees or mark-ups on prices charged by the Authorized Distributor. Customer may participate in or receive rebates under any other rebate or incentive program offered by Covidien during the term of this Agreement with respect to the Products. However, such rebates shall not be cumulative with any rebate offered hereunder, and rebates earned through other programs shall reduce or nullify the rebate offered hereunder.
5. Base Rebate. For each Contract Year in which Net Purchases in a particular Category equal or exceed the Prior Year's Purchases in such Category, Covidien shall pay Customer a rebate equal to two percent (2%) of the Prior Year's Purchases for such qualifying Category (the "Base Rebate"). Failure to earn a Base Rebate in one Category shall not affect Customer's ability to earn a Base Rebate in any other Category in which the requisite conditions have been satisfied. Each Base Rebate earned pursuant to this Section 5 shall be delivered annually within ninety (90) days after the last business day of the Contract Year to which it applies.
6. Growth Rebate. For each Contract Year in which Net Purchases in any Category exceed the Prior Year's Purchases in such Category by five percent (5%) or more (such excess is hereinafter referred to as the "Incremental Purchases"), Covidien shall pay Customer a growth rebate equal to three percent (3%) of the Incremental Purchases in any such qualifying Category (the "Growth Rebate"). Failure to earn a Growth Rebate in one Category shall not affect Customer's ability to earn a Growth Rebate in any other Category in which the requisite conditions have been satisfied. Each Growth Rebate earned pursuant to this Section 6 shall be delivered annually within ninety (90) days after the last business day of the Contract Year to which it applies.
7. Discontinuation. In the event any business or product line related to the Products covered by this Agreement is sold or otherwise divested by Covidien, or any Product is discontinued, all rights and obligations hereunder with respect to the Products of such divested or discontinued product line shall automatically terminate upon the effective date of such discontinuance, sale or divestiture.
8. Treatment of Rebates.
  - a. Any discount, rebate, free goods or other reduction in price received as a result of the purchase of products under this Agreement may involve a discount or other reduction in price under federal law at 42 U.S.C. §1320a-7B(b)(3)(A) and

regulations issued thereunder. Customer is responsible for reporting and/or providing information on all discounts, rebates or reductions in price to reimbursement agencies (including Medicare and Medicaid) and other entities in accordance with all applicable laws and regulations including the provisions of the discount safe harbor exception at 42 C.F.R. §1001.952(h). Customer agrees that it shall promptly disclose and appropriately reflect any discount, rebate or other reduction in price as may be required under Medicare or any other federal or state health program.

- b. If the services provided by Customer using the Products purchased hereunder require the reporting of costs on a cost report, then Customer must claim the benefit of the discount in the fiscal year in which the discount is earned or the following year and must fully and accurately report the discount in the applicable cost report. If the services are reflected in a cost report or based on charges through the submission of a fee for service claim, Customer agrees to provide information documenting the discount upon request of the Secretary of the U.S. Department of Health and Human Services or by the appropriate state agency.
9. No Diversion. During the term of this Agreement, Customer shall (i) purchase all Products directly from Covidien Companies or Authorized Distributors, and (ii) not resell any Products to any third party. Customer shall not be entitled to receive any rebates hereunder if Customer violates the terms of this Section.
10. Confidentiality. Customer shall keep confidential and not disclose to any third party the terms of this Agreement.
11. Notices. All notices required or permitted by this Agreement shall be in writing and shall be directed to the appropriate party at their respective addresses set forth above or such other address as a party may, from time to time, designate by notice to the other party.
12. Assignment. Customer shall not assign this Agreement in whole or in part without the prior written consent of Covidien. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns.
13. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto regarding the subject matter hereof and supersedes all previous negotiations, agreements and commitments with respect thereto, and shall not be released, discharged, changed or modified in any manner except by instruments signed by duly authorized representatives of each of the parties hereto. No terms and conditions printed on any purchase order or other document submitted by Customer to Covidien in connection with the transactions contemplated by this Agreement shall be of any force or effect, and are hereby expressly rejected by Covidien. All purchases of Products shall be governed exclusively by the terms and conditions set forth herein.
14. Severability. If any provision of this Agreement or the application thereof to any party or circumstance shall be declared void, illegal or unenforceable, the remainder of this Agreement shall be valid and enforceable to the extent permitted by applicable law. In such event, the parties shall use commercially reasonable efforts to replace the invalid or unenforceable provision by a provision that, to the extent permitted by applicable law, achieves the purposes intended under the invalid or unenforceable provision.
15. Governing Law. This Agreement, and any claim or controversy relating hereto, shall be governed by and interpreted exclusively in accordance with the laws of The Commonwealth of Massachusetts, without giving effect to the conflicts of laws principles thereof.
16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

COVIDIEN SALES LLC

HEALTH AID COMPANY, INC.

By: 

By: 

Name: David Clare

Name: E-A MENSZKY

Title: VP of Sales, Homecare

Title: V-P

**CATEGORIES**

Sales Class	Description
IS	INCONTINENCE & SKIN CARE
SK	SKIN WELLNESS
SW	SPECIALTY WOUND CARE
UR	UROLOGY
WC	WOUND CARE
NS	STANDARD N&S
NT	SAFETY HYPODERMIC
SC	SHARPS CONTAINERS AND BRACKETS