

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 22, 2024 (May 16, 2024)



CVS HEALTH CORPORATION
(Exact name of registrant as specified in its charter)

Delaware 001-01011 05-0494040
(State or other jurisdiction of incorporation) (Commission File Number) (IRS Employer Identification No.)

One CVS Drive, Woonsocket, Rhode Island 02895
(Address of principal executive offices) (Zip Code)

Registrant’s telephone number, including area code: (401) 765-1500

Former name or former address, if changed since last report: N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CVS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Section 5 - Corporate Governance and Management

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On May 16, 2024, CVS Health Corporation (the “Company”) held its 2024 Annual Meeting of Stockholders (the “Annual Meeting”). At the Annual Meeting, the Company’s stockholders approved amendments to the 2017 Incentive Compensation Plan of CVS Health Corporation (the “2017 ICP”), principally to increase the number of common shares of the Company available for issuance under the 2017 ICP by 33.5 million shares. The Management Planning and Development Committee and Board of Directors of the Company previously approved the amendments to the 2017 ICP, subject to stockholder approval.

For a description of the principal terms of the 2017 ICP, see “Item 4: Proposal to Amend the Company’s 2017 Incentive Compensation Plan to Increase the Number of Shares Authorized to Be Issued Under the Plan” in the Company’s Proxy Statement for the Annual Meeting filed with the Securities and Exchange Commission on April 5, 2024 (the “Proxy Statement”), which description is incorporated herein by reference. A copy of the 2017 ICP as amended is filed as Exhibit 10.1 to this report and is incorporated herein by reference. Forms of award agreements to be used under the 2017 ICP as amended are filed as Exhibit 10.2 and are incorporated herein by reference.

Item 5.07 Submission of Matters to a Vote of Security Holders.

As noted above, the Company’s Annual Meeting was held on May 16, 2024. The following are the voting results on each matter submitted to the stockholders of the Company at the Annual Meeting. The proposals below are described in detail in the Proxy Statement. There were present at the Annual Meeting, in person or by valid proxy, the holders of 1,108,671,384 shares of the Company’s common stock, constituting a quorum.

At the Annual Meeting, the 12 nominees for director were elected to the Company’s Board of Directors for a term of one year (Item 1). The Company proposal regarding the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for 2024 (Item 2) was approved. The Company proposal to approve, on an advisory basis, the compensation of the Company’s named executive officers as disclosed in the Proxy Statement (Item 3) was approved. The Company proposal to amend the Company’s 2017 ICP (Item 4) was approved. Four stockholder proposals (Items 5, 6, 7 and 8) were not approved.

<u>Item</u>		<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Broker Non-Votes</u>
1.	The election, for one-year terms, of persons nominated for election as directors of the Company, as set forth in the Company’s Proxy Statement, was approved by the following votes:				
	Fernando Aguirre	940,972,081	17,714,333	2,320,985	147,663,985
	Jeffrey R. Balser, M.D., Ph.D.	952,315,470	6,535,538	2,156,391	147,663,985
	C. David Brown II	900,742,834	58,026,802	2,237,763	147,663,985
	Alecia A. DeCoudreaux	949,423,327	9,434,297	2,149,775	147,663,985
	Nancy-Ann M. DeParle	943,732,215	15,085,521	2,189,663	147,663,985
	Roger N. Farah	937,681,342	21,016,819	2,309,238	147,663,985
	Anne M. Finucane	922,146,176	36,678,686	2,182,537	147,663,985
	J. Scott Kirby	951,655,367	6,973,203	2,378,829	147,663,985
	Karen S. Lynch	948,746,896	10,182,579	2,077,924	147,663,985
	Michael F. Mahoney	950,214,863	8,413,118	2,379,418	147,663,985
	Jean-Pierre Millon	926,293,860	32,454,490	2,259,049	147,663,985
	Mary L. Schapiro	951,695,011	7,158,624	2,153,764	147,663,985
2.	Company proposal to ratify the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for 2024, as set forth in the Company’s Proxy Statement, was approved by the following vote:	1,082,869,069	22,941,366	2,860,949	None
3.	Company proposal to approve, on an advisory basis, the compensation of the Company’s named executive officers, as set forth in the Company’s Proxy Statement, was approved by the following vote:	818,001,447	139,313,232	3,692,720	147,663,985
4.	Company proposal to amend the Company’s 2017 Incentive Compensation Plan to increase the number of shares authorized to be issued under the Plan, as set forth in the Company’s Proxy Statement, was approved by the following vote:	919,806,818	38,826,632	2,373,949	147,663,985

5.	Stockholder proposal requesting an independent, third-party worker rights assessment and report, as set forth in the Company's Proxy Statement, was not approved by the following vote:	225,318,512	724,042,751	11,646,136	147,663,985
6.	Stockholder proposal to prohibit the re-nomination of any director who fails to receive a majority vote, as set forth in the Company's Proxy Statement, was not approved by the following vote:	177,476,219	780,408,878	3,122,302	147,663,985
7.	Stockholder proposal regarding stockholder right to vote on "excessive" golden parachutes, as set forth in the Company's Proxy Statement, was not approved by the following vote:	57,763,299	900,824,802	2,419,298	147,663,985
8.	Stockholder proposal requesting a policy requiring our directors to disclose their expected allocation of hours among all formal commitments, as set forth in the Company's Proxy Statement, was not approved by the following vote:	24,053,378	933,918,239	3,035,782	147,663,985

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	Description
10.1	2017 Incentive Compensation Plan of CVS Health Corporation, as amended.
10.2	Forms of award agreements to be used under the 2017 ICP, as amended.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CVS HEALTH CORPORATION

Date: May 22, 2024

By: /s/ Kristina V. Fink

Kristina V. Fink
Senior Vice President, Corporate Secretary
and Chief Governance Officer

2017 Incentive Compensation Plan of CVS Health Corporation

1. **Purpose.** The purpose of this 2017 Incentive Compensation Plan (the "Plan") is to assist CVS Health Corporation, a Delaware corporation (the "Corporation"), and its subsidiaries, in attracting, retaining and rewarding high-quality executives, employees, and other persons who provide services to the Corporation and/or its subsidiaries, to enable such persons to acquire or increase a proprietary interest in the Corporation in order to strengthen the mutuality of interests between such persons and the Corporation's stockholders and to provide such persons with short- and long-term performance incentives to expend their maximum efforts in the creation of stockholder value.
 2. **Definitions.** For purposes of the Plan, the following terms shall be defined as set forth below, in addition to such terms defined in Section 1 hereof:
 - (a) "Award" means any Option, Restricted Stock, Restricted Stock Unit, Stock Appreciation Right, Deferred Stock, Stock granted as a bonus or in lieu of another award, Stock awarded to a director pursuant to Section 8, Dividend Equivalent, Other Stock-Based Award, Performance Award or Annual Incentive Award, together with any other right or interest granted to a Participant under the Plan.
 - (b) "Beneficiary" means the person, persons, trust or trusts which have been designated by a Participant in his or her most recent written beneficiary designation filed with the Committee to receive the benefits specified under the Plan upon such Participant's death or to which Awards or other rights are transferred if and to the extent permitted under Section 11(b) hereof. If, upon a Participant's death, there is no designated Beneficiary or surviving designated Beneficiary, then the term Beneficiary means person, persons, trust or trusts entitled by will or the laws of descent and distribution to receive such benefits.
 - (c) "Beneficial Owner" shall have the meaning ascribed to such term in Rule 13d-3 under the Exchange Act and any successor to such Rule.
 - (d) "Board" means the Corporation's Board of Directors.
 - (e) "Change in Control" means Change in Control as defined with related terms in Section 10 of the Plan.
 - (f) "Code" means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and successor provisions and regulations thereto.
 - (g) "Committee" means a committee of two or more directors designated by the Board to administer the Plan.
 - (h) "Constructive Termination Without Cause" shall have the meaning set forth in Section 10(c)(ii) hereof.
 - (i) "Deferred Stock" means a right, granted to a Participant under Section 6(e) hereof, to receive Stock, cash or a combination thereof at the end of a specified deferral period.
 - (j) "Dividend Equivalent" means a right, granted to a Participant under Section 6(g), to receive cash, Stock, other Awards or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or other periodic payments.
 - (k) "Eligible Person" means each Executive Officer and other officers and employees of the Corporation or of any subsidiary, including such persons who may also be directors of the Corporation, and any Eligible Director. An employee on leave of absence may be considered as still in the employ of the Corporation or a subsidiary for purposes of eligibility for participation in the Plan.
 - (l) "Eligible Director" means a director of the Corporation who at the relevant time is not, and for the preceding twelve (12) months was not, an employee of the Corporation or its subsidiaries.
 - (m) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, including rules thereunder and successor provisions and rules thereto.
 - (n) "Executive Officer" means an executive officer of the Corporation as defined under the Exchange Act.
 - (o) "Fair Market Value" means the fair market value of Stock, Awards or other property as determined by the Committee or under procedures established by the Committee. Unless otherwise determined by the Committee, the Fair Market Value of Stock shall be the closing price of a share of Stock, as quoted on the composite transactions table on the New York Stock Exchange, on the date on which the determination of fair market value is being made. In the event the date on which the determination is being made is a date on which the New York Stock Exchange is closed, then the closing price of a share of Stock, as quoted on the composite transactions table on the New York Stock Exchange on the last date prior to such date on which the New York Stock Exchange was open, shall be used.
 - (p) "Incentive Stock Option" or "ISO" means any Option intended to be and designated as an incentive stock option within the meaning of Code Section 422 or any successor provision thereto; provided, however, that only an Eligible Person who is an employee within the meaning of Code Section 422 and the regulations thereunder shall be eligible to receive an ISO.
 - (q) "Option" means a right, granted to a Participant under Section 6(b) hereof, to purchase Stock or other Awards at a specified price during specified time periods.
 - (r) "Other Stock-Based Awards" means Awards granted to a Participant under Section 6(h) hereof.
 - (s) "Participant" means a person who has been granted an Award under the Plan that remains outstanding, including a person who is no longer an Eligible Person.
 - (t) "Performance Award" means a right, granted to a Participant under Section 9 hereof, to receive Awards based upon performance criteria specified by the Committee.
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- (u) "Person" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, and shall include a "group" as defined in Section 13(d) thereof.
- (v) "Plan Limit" means the maximum aggregate number of shares of Stock that may be issued for all purposes under the Plan as set forth in Section 4(a).
- (w) "Qualified Member" means a member of the Committee who is a "Non-Employee Director" within the meaning of Rule 16b-3(b)(3).
- (x) "Recoupment Policies" means collectively, the CVS Health Corporation Recoupment Policy as amended and restated on March 6, 2019, and the CVS Health Corporation Dodd-Frank Clawback Policy, dated September 21, 2023, in each case, as may be amended from time to time.
- (y) "Restricted Stock" means Stock granted to a Participant under Section 6(d) hereof, that is subject to certain restrictions and to a risk of forfeiture.
- (z) "Restricted Stock Unit" shall mean a contractual right granted under Section 6(d) hereof that represents a right to receive the value of a share of Stock upon the terms and conditions set forth in the Plan and the applicable Award agreement.
- (aa) "Rule 16b-3" means Rule 16b-3, as in effect from time to time and applicable to the Plan and Participants, promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act.
- (bb) "Stock" means the Corporation's Common Stock, and such other securities as may be substituted (or resubstituted) for Stock pursuant to Section 11(c) hereof.
- (cc) "Stock Appreciation Rights" or "SAR" means a right granted to a Participant under Section 6(c) hereof.
- (dd) "Substitute Award" means an Award granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Corporation or with which the Corporation combines.
- (ee) "Termination Without Cause" shall have the meaning set forth in Section 10(c)(i) hereof.

3. Administration.

- (a) *Authority of the Committee.* The Plan shall be administered by the Committee, except to the extent the Board elects to administer the Plan, in which case references herein to the "Committee" shall be deemed to include references to the "Board". The Committee shall have full and final authority, in each case subject to and consistent with the provisions of the Plan, to select Eligible Persons to become Participants, grant Awards, determine the type, number and other terms and conditions of, and all other matters relating to, Awards, prescribe Award agreements (which need not be identical for each Participant) and rules and regulations for the administration of the Plan, construe and interpret the Plan and Award agreements and correct defects, supply omissions or reconcile inconsistencies therein and to make all other decisions and determinations as the Committee may deem necessary or advisable for the administration of the Plan.
- (b) *Manner of Exercise of Committee Authority.* At any time that a member of the Committee is not a Qualified Member, any action of the Committee relating to an Award granted or to be granted to a Participant who is then subject to Section 16 of the Exchange Act in respect of the Corporation may be taken either (i) by a subcommittee, designated by the Committee, composed solely of two or more Qualified Members, or (ii) by the Committee but with each such member who is not a Qualified Member abstaining or recusing himself or herself from such action; provided, however, that, upon such abstention or recusal, the Committee remains composed solely of two or more Qualified Members. Such action, authorized by such a subcommittee or by the Committee upon the abstention or recusal of such non-Qualified Member(s), shall be the action of the Committee for purposes of the Plan. Any action of the Committee shall be final, conclusive and binding on all persons, including the Corporation, its subsidiaries, Participants, Beneficiaries, transferees under Section 11(b) hereof or other persons claiming rights from or through a Participant, and stockholders. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. To the extent permitted by applicable law, the Committee may delegate to officers or managers of the Corporation or any subsidiary, or committees thereof, the authority, subject to such terms as the Committee shall determine, to perform such functions, including administrative functions, as the Committee may determine, to the extent that such delegation will not result in the loss of an exemption under Rule 16b-3(d)(1) for Awards granted to Participants subject to Section 16 of the Exchange Act in respect of the Corporation. The Committee may appoint agents to assist it in administering the Plan.
- (c) *Limitation of Liability.* The Committee and each member thereof shall be entitled to rely or act upon in good faith any report or other information furnished to him or her by any executive officer, other officer or employee of the Corporation or a subsidiary, the Corporation's independent auditors, consultants or any other agents assisting in the administration of the Plan. Members of the Committee and any officer or employee of the Corporation or a subsidiary acting at the direction or on behalf of the Committee shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan and shall, to the extent permitted by law, be fully indemnified and protected by the Corporation with respect to any such action or determination.

4. Stock Subject to Plan.

- (a) *Overall Number of Shares Available for Delivery.* Subject to adjustment as provided in Section 11(c) hereof, the total number of shares of Stock reserved and available for delivery in connection with Awards under the Plan shall be equal to 98,145,312; provided, however, that the total number of shares of Stock with respect to which ISOs may be granted under the Plan shall not exceed three million (3,000,000). Any shares of Stock delivered under the Plan shall consist of authorized and unissued shares or treasury shares.
 - (b) *Application of Limitation to Grants of Awards.* No Award may be granted if the number of shares of Stock to be delivered in connection with such Award exceeds the number of shares of Stock remaining available under the Plan after taking into
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account the number of shares issuable in settlement of Awards or relating to then-outstanding Awards. Notwithstanding the foregoing, Awards settleable only in cash shall not reduce the number of shares of Stock available under the Plan and Stock issued for Substitute Awards shall not count against the limits of Section 4(a). Additionally, for purposes of determining the number of shares of Stock that remain available for issuance under the Plan, the number of shares of Stock corresponding to Awards under the Plan that are forfeited or cancelled or otherwise expire for any reason without having been exercised or settled, or that are settled through the issuance of consideration other than shares of Stock (including, without limitation, cash), shall be added back to the Plan Limit and again be available for the grant of Awards. The following shares of Stock, however, shall not be available again for grant under the Plan:

- (i) shares of Stock not issued or delivered as a result of net settlement of an outstanding Option or SAR;
- (ii) shares of Stock delivered or withheld by the Corporation to pay the exercise price of or the withholding taxes with respect to an Award; and
- (iii) shares of Stock repurchased with proceeds from the payment of the exercise price of an Option.

The Committee has discretion to adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments if the number of shares of Stock actually delivered differs from the number of shares previously counted in connection with an Award.

5. Eligibility; Per-Person Award Limitations. Awards may be granted under the Plan only to Eligible Persons. In each fiscal year during any part of which the Plan is in effect, an Eligible Person may not be granted Awards relating to more than one million (1,000,000) shares of Stock, subject to adjustment as provided in Section 11(c), under each of Sections 6(b) through 6(h), 9(b) and 9(c). In addition, the maximum cash amount that may be earned under the Plan as a final Annual Incentive Award or other cash annual Award in respect of any fiscal year by any one Participant shall be ten million dollars (\$10,000,000), and the maximum cash amount that may be earned under the Plan as a final Performance Award or other cash Award in respect of a performance period other than an annual period by any one Participant on an annualized basis shall be five million dollars (\$5,000,000).

6. Specific Terms of Awards.

- (a) **General.** Awards may be granted on the terms and conditions set forth in this Section 6, and with respect to directors of the Corporation, in Section 8. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Section 11(e)), such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine, including terms requiring forfeiture of Awards in the event of termination of employment of the Participant and terms permitting a Participant to make elections relating to his or her Award. The Committee shall retain full power and discretion to accelerate, waive or modify, at any time, any term or condition of an Award that is not mandatory under the Plan. Except in cases in which the Committee is authorized to require other forms of consideration under the Plan, or to the extent other forms of consideration must be paid to satisfy the requirements of the Delaware General Corporation Law, no consideration other than services may be required for the grant of any Award.
 - (b) **Options.** The Committee is authorized to grant Options to Participants on the following terms and conditions:
 - (i) **Exercise Price.** The exercise price per share of Stock purchasable under an Option shall be determined by the Committee, provided that such exercise price shall be not less than the Fair Market Value of a share of Stock on the date of grant of such Option except as provided under the first sentence of Section 7(a) hereof.
 - (ii) **Time and Method of Exercise.** The Committee shall determine the time or times at which or the circumstances under which an Option may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the methods by which such exercise price may be paid or deemed to be paid, the form of such payment, including, without limitation, cash, Stock, other Awards or awards granted under other plans of the Corporation or any subsidiary, or other property, and the methods by or forms in which Stock will be delivered or deemed to be delivered to Participants.
 - (iii) **ISOs.** The terms of any ISO granted under the Plan shall comply in all respects with the provisions of Code Section 422. Anything in the Plan to the contrary notwithstanding, no term of the Plan relating to ISOs shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be exercised, so as to disqualify either the Plan or any ISO under Code Section 422, unless the Participant has first requested the change that will result in such disqualification.
 - (c) **Stock Appreciation Rights.** The Committee is authorized to grant SARs to Participants on the following terms and conditions:
 - (i) **Right to Payment.** A SAR shall confer on the Participant to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one share of Stock on the date of exercise over (B) the grant price of the SAR as determined by the Committee.
 - (ii) **Other Terms.** The Committee shall determine at the date of grant or thereafter, the time or times at which and the circumstances under which a SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the method of exercise, method of settlement, form of consideration payable in settlement, method by or forms in which Stock will be delivered or deemed to be delivered to Participants, whether or not a SAR shall be in tandem or in combination with any other Award and any other terms and conditions of any SAR. The exercise price of a SAR shall be determined by the Committee, provided that such exercise price shall be not less than the Fair Market Value of a share of Stock on the date of grant of such SAR. SARs may be either freestanding or in tandem with other Awards.
 - (d) **Restricted Stock and Restricted Stock Units.** The Committee is authorized to grant Restricted Stock or Restricted Stock Units to Participants on the following terms and conditions:
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- (i) **Grant and Restrictions.** Restricted Stock and Restricted Stock Units shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse separately or in combination at such times, under such circumstances (including based on achievement of performance goals and/or future service requirements), in such installments or otherwise, as the Committee may determine at the date of grant or thereafter. Except to the extent restricted under the terms of the Plan and any Award agreement relating to the Restricted Stock, a Participant granted Restricted Stock shall have all of the rights of a stockholder, including the right to vote the Restricted Stock and the right to receive dividends thereon, provided that dividends shall accrue and be paid only upon vesting, and may be subject to any mandatory reinvestment or any other requirement that may be imposed by the Committee. During the restricted period applicable to the Restricted Stock, subject to Section 11(b) below, the Restricted Stock may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered by the Participant. Restricted Stock Units may be settled in Stock, cash equal to the Fair Market Value of the specified number of shares of Stock covered by the Units, or a combination thereof, as determined by the Committee at the date of grant or thereafter.
 - (ii) **Forfeiture.** Except as otherwise determined by the Committee, upon termination of employment during the applicable restriction period, Restricted Stock and Restricted Stock Units that are at that time subject to restrictions shall be forfeited, provided that the Committee may provide, by rule or regulation or in any Award agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock and Restricted Stock Units shall be waived in whole or in part in the event of terminations resulting from specified causes and the Committee may in other cases waive in whole or in part the forfeiture of Restricted Stock and Restricted Stock Units.
 - (iii) **Certificates for Stock.** Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, the Committee may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, that the Corporation retain physical possession of the certificates and that the Participant deliver a stock power to the Corporation, endorsed in blank, relating to the Restricted Stock.
 - (iv) **Dividends and Splits.** As a condition to the grant of an Award of Restricted Stock, the Committee may require that any cash dividends paid on a share of Restricted Stock be automatically reinvested in additional shares of Restricted Stock or applied to the purchase of additional Awards under the Plan, or shall require vesting of an Award prior to payment of accrued cash dividends. Unless otherwise determined by the Committee, Stock distributed in connection with a Stock split or Stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed. The Committee shall determine and specify in the Restricted Stock Unit Agreement the effect, if any, of dividends paid on Stock during the period such Award is outstanding.
- (e) **Deferred Stock.** The Committee is authorized to grant Deferred Stock to Participants, which are rights to receive Stock, cash, or a combination thereof at the end of a specified deferral period, subject to the following terms and conditions:
- (i) **Award and Restrictions.** Satisfaction of an Award of Deferred Stock shall occur upon expiration of the deferral period specified for such Deferred Stock by the Committee (or, if permitted by the Committee, as elected by the Participant). In addition, Deferred Stock shall be subject to such restrictions (which may include a risk of forfeiture) as the Committee may impose, if any, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, in installments or otherwise, as the Committee may determine. Deferred Stock may be satisfied by delivery of Stock, cash equal to the Fair Market Value of the specified number of shares of Stock covered by the Deferred Stock, or a combination thereof, as determined by the Committee at the date of grant or thereafter.
 - (ii) **Forfeiture.** Except as otherwise determined by the Committee, upon termination of employment during the applicable deferral period or portion thereof to which forfeiture conditions apply (as provided in the Award agreement evidencing the Deferred Stock), all Deferred Stock that is at that time subject to deferral (other than a deferral at the election of the Participant) shall be forfeited; provided that the Committee may provide, by rule or regulation or in any Award agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Deferred Stock shall be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part the forfeiture of Deferred Stock.
 - (iii) **Dividend Equivalents.** Unless otherwise determined by the Committee at date of grant, Dividend Equivalents on the specified number of shares of Stock covered by an Award of Deferred Stock shall be either (A) paid with respect to such Deferred Stock at the dividend payment date in cash or in shares of unrestricted Stock having a Fair Market Value equal to the amount of such dividends, or (B) deferred with respect to such Deferred Stock and the amount or value thereof automatically deemed reinvested in additional Deferred Stock, other Awards or other investment vehicles, as the Committee shall determine or permit the Participant to elect.
- (f) **Bonus Stock and Awards in Lieu of Obligations.** The Committee is authorized to grant Stock as a bonus, or to grant Stock or other Awards in lieu of obligations to pay cash or deliver other property under the Plan or under other plans or compensatory arrangements, provided that, in the case of Participants subject to Section 16 of the Exchange Act, the amount of such grants remains within the discretion of the Committee to the extent necessary to ensure that acquisitions of Stock or other Awards are exempt from liability under Section 16(b) of the Exchange Act. Stock or Awards granted hereunder shall be subject to such other terms as shall be determined by the Committee. In the case of any grant of Stock to an officer of the Corporation in lieu of salary or other cash compensation, the number of shares granted in place of such compensation shall be reasonable, as determined by the Committee.
- (g) **Dividend Equivalents.** Except with respect to Options and SARs, which shall not be eligible for Dividend Equivalents, the Committee is authorized to grant Dividend Equivalents to a Participant, entitling the Participant to receive cash, Stock, other
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Awards, or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or other periodic payments. The Committee shall provide that Dividend Equivalents either shall accrue and be paid or distributed upon the vesting of an Award or shall be deemed to have been reinvested in additional Stock, Awards, or other investment vehicles and subject to such restrictions on transferability and risks of forfeiture as the Committee may specify.

- (h) *Other Stock-Based or Cash Awards.* The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, as deemed by the Committee to be consistent with the purposes of the Plan, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Stock, purchase rights for Stock, Awards with value and payment contingent upon performance of the Corporation or any other factors designated by the Committee and Awards valued by reference to the book value of Stock or the value of securities of or the performance of specified subsidiaries. The Committee shall determine the terms and conditions of such Awards. Stock delivered pursuant to an Award in the nature of a purchase right granted under this Section 6(h) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Stock, other Awards, or other property, as the Committee shall determine. Cash awards, as an element of or supplement to any other Award under the Plan, may also be granted pursuant to this Section 6(h).

7. Certain Provisions Applicable to Awards.

- (a) *Stand-Alone, Additional, Tandem and Substitute Awards.* Awards granted under the Plan may, in the discretion of the Committee, be granted at any time, either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under another plan of the Corporation, any subsidiary, or any business entity to be acquired by the Corporation or a subsidiary, or any other right of a Participant to receive payment from the Corporation or any subsidiary, but if an Award is granted in substitution or exchange for another Award or award, the Committee shall require the surrender of such other Award or award in consideration for the grant of the new Award. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Corporation or any subsidiary, in which the value of Stock subject to the Award (for example, Deferred Stock or Restricted Stock) is equivalent in value to the cash compensation, provided, however, that any such Award that is an Option or SAR shall have an exercise price that is at least one hundred percent (100%) of the Fair Market Value of a share of Stock on the date of grant of such Option or SAR. Notwithstanding the foregoing language of this Section 7(a), no outstanding Option or SAR may be amended to decrease the exercise price except in accordance with Section 11(c), and no outstanding Option or SAR may be surrendered in exchange for another Award or for cash.
- (b) *Term of Awards.* The term of each Award shall be for such period as may be determined by the Committee; provided that in no event shall the term of any Option or SAR exceed a period of ten (10) years (or such shorter term as may be required in respect of an ISO under Code Section 422).
- (c) *Form and Timing of Payment under Awards; Deferrals.* Subject to the terms of the Plan, including but not limited to Section 11(l), and any applicable Award agreement, (i) payments to be made by the Corporation or a subsidiary upon the exercise of an Option or other Award or settlement of an Award may be made in such forms as the Committee shall determine, including, without limitation, cash, Stock, other Awards or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis, (ii) the settlement of any Award may be accelerated, and cash paid in lieu of Stock in connection with such settlement, in the discretion of the Committee or upon occurrence of one or more specified events (in addition to a Change in Control), (iii) installment or deferred payments may be required by the Committee (subject to Section 11(e) of the Plan, including the consent provisions thereof in the case of any deferral of an outstanding Award not provided for in the original Award agreement) or permitted at the election of the Participant on terms and conditions established by the Committee, and (iv) payments may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents or other amounts in respect of installment or deferred payments denominated in Stock.
- (d) *Exemptions from Section 16(b) Liability.* It is the intent of the Corporation that the grant of any Awards to or other transaction by a Participant who is subject to Section 16 of the Exchange Act shall be exempt under Rule 16b-3 (except for transactions acknowledged in writing to be non-exempt by such Participant). Accordingly, if any provision of this Plan or any Award agreement does not comply with the requirements of Rule 16b-3 as then applicable to any such transaction, such provision shall be construed or deemed amended to the extent necessary to conform to the applicable requirements of Rule 16b-3 so that such Participant shall avoid liability under Section 16(b).
- (e) *Cancellation and Rescission of Awards.* Unless the Award agreement specifies otherwise, the Committee may cancel any unexpired, unpaid, or deferred Awards at any time, and the Corporation shall have the additional rights set forth in Section 7(e)(iv) below, if the Participant is not in compliance with all applicable provisions of the Award agreement and the Plan including the following conditions:
- (i) While employed by the Corporation or one of its subsidiaries, a Participant shall not render services for any organization or engage directly or indirectly in any business that, in the judgment of the Chief Executive Officer of the Corporation or other senior officer designated by the Committee, is or becomes competitive with the Corporation.
 - (ii) A Participant shall not, without prior written authorization from the Corporation, disclose to anyone outside the Corporation, or use in other than the Corporation's business, any confidential information or material relating to the business of the Corporation that is acquired by the Participant either during or after employment with the Corporation.
 - (iii) A Participant shall disclose promptly and assign to the Corporation all right, title, and interest in any invention or idea, patentable or not, made or conceived by the Participant during employment by the Corporation, relating in any manner to the actual or anticipated business, research or development work of the Corporation and shall do anything reasonably necessary to enable the Corporation to secure a patent where appropriate in the United States and in foreign countries.
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(iv) (A) Upon exercise, settlement, payment or delivery pursuant to an Award, the Participant shall certify on a form acceptable to the Committee that he or she is in compliance with the terms and conditions of the Plan. Failure to comply with the provisions of this Section 7(e) prior to, or during the six (6) months after, any exercise, payment or delivery pursuant to an Award shall cause such exercise, payment or delivery to be rescinded. The Corporation shall notify the Participant in writing of any such rescission within two (2) years after such exercise, payment or delivery. Within ten (10) days after receiving such a notice from the Corporation, the Participant shall pay to the Corporation the amount of any gain realized or payment received as a result of the rescinded exercise, payment or delivery pursuant to an Award. Such payment shall be made either in cash or by returning to the Corporation the number of shares of Stock that the Participant received in connection with the rescinded exercise, payment or delivery.

(B) To the extent determined by the Committee, all Awards shall be subject to the terms and conditions of the Corporation's Recoupment Policies as it exists from time to time.

(f) *Limitation of Vesting of Certain Awards.* Notwithstanding anything in this Plan to the contrary, Options, SARs, Restricted Stock, Restricted Stock Units, Deferred Stock, Dividend Equivalents and Other Stock-Based Awards, as described in Sections 6(b), 6(c), 6(d), 6(e), 6(g) and 6(h) of the Plan, respectively, granted to employees, and Awards granted to directors as described in Section 8 of the Plan, will vest over a minimum period of three (3) years, except in the event of a Participant's death or disability, or in the event of a Change in Control and (i) Options, SARs, Restricted Stock, Restricted Stock Units, Deferred Stock, Dividend Equivalents and Other Stock-Based Awards as to which either the grant or the vesting is based on the achievement of one or more performance conditions will vest over a minimum period of one (1) year except in the event of a Participant's death or disability, or in the event of a Change in Control, and (ii) up to five percent (5%) of the shares of Stock authorized under the Plan may be granted as Options, SARs, Restricted Stock, Restricted Stock Units, Deferred Stock, Dividend Equivalents or Other Stock-Based Awards without any minimum vesting requirements. For purposes of this Section 7(f), vesting over a three (3)-year period will include periodic vesting over such period if the rate of such vesting is proportional throughout such period and in no event shall Awards subject to a minimum vesting period vest any earlier than one (1) year from the date of grant.

8. Special Rules for Directors.

(a) *Awards; Per-Director Award Limitation.* Eligible Directors may receive Awards, including without limitation Awards in respect of their annual retainer and any additional retainers for chairing the board or a committee of the board, or serving as lead independent director.

The maximum number of shares of Stock subject to Awards granted under the Plan during any one fiscal year to any one Eligible Director, taken together with any cash fees paid or Stock otherwise granted by the Company to such Eligible Director during such fiscal year for service as a non-employee director, will not exceed the following in total value (calculating the value of any such Awards based on the grant date fair value of such Awards for financial reporting purposes): (i) five hundred thousand dollars (\$500,000) for each Eligible Director, and (ii) an additional five hundred thousand dollars (\$500,000) for the Eligible Director designated as independent chairman of the board or as lead independent director, in each such case including the value of any Awards in Stock that are received in lieu of all or a portion of any annual board chair, committee chair, or lead independent director cash retainers or similar cash-based payments and excluding, for this purpose, the value of any dividend equivalent payments paid pursuant to any Awards granted in a previous year.

(b) *Deferral of Shares by Directors.* Each Eligible Director may elect to defer the receipt of shares otherwise currently payable to such Eligible Director under Section 8(a) of this Plan until such Eligible Director terminates service as a director or such other date or event as permitted under rules established by the Board and uniformly applied. In that event, such Eligible Director shall be granted an award of share credits equal to the number of shares of Stock elected to be deferred, including fractional share credits to not less than three decimal places.

(c) *Settlement.* As soon as practicable after an Eligible Director has ceased being a Director of the Corporation or such other date or event elected by an Eligible Director under Section 8(b), all awards shall be paid to the Eligible Director or, in the case of the death of the Eligible Director, the Eligible Director's designated beneficiary or beneficiaries, or in the absence of a designated beneficiary, to the estate of the Eligible Director, in a single payment or installments as elected by the Eligible Director.

(d) *Dividend Equivalents.*

(i) In addition to the payment provided for in Section 8(c), each Eligible Director (or beneficiary) entitled to payment under this Section 8(d) shall receive at the same time the dividend equivalent amounts calculated under subsection (ii) below.

(ii) The dividend equivalent amount is the number of additional share credits attributable to the number of share credits originally granted plus additional share credits previously calculated hereunder. Such additional share credits shall be determined and credited as of each dividend payment date by dividing the aggregate cash dividends that would have been paid had share credits awarded or credited (but not yet paid) under this Section 8(d), as the case may be, been actual shares of Stock on the record date for such dividend by the Fair Market Value of Stock on the dividend payment date. Fractional share credits shall be calculated to not less than three decimal places.

(e) *Payment; Fractional Shares.* Payments pursuant to Sections 8(c) and 8(d) above shall be made in shares of Stock, except that there shall be paid in cash the value of any fractional share.

9. Performance Awards.

(a) *Performance Conditions.* The right of a Participant to exercise or receive a grant or settlement of any Award, and the timing thereof, may be subject to such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions

and may exercise its discretion to reduce or increase the amounts payable under any Award subject to performance conditions. Performance goals may differ for Performance Awards granted to any one Participant or to different Participants.

(b) *Business Criteria.*

- (i) One or more of the following business criteria for the Corporation, on a consolidated basis, and/ or for specified subsidiaries or business units of the Corporation (except with respect to the total stockholder return and earnings per share criteria), may be used by the Committee in establishing performance goals for such Performance Awards: (1) earnings per share; (2) revenues; (3) cash flow; (4) cash flow return on investment; (5) return on net assets, return on assets, return on investment, return on capital, return on equity; (6) economic value added; (7) operating margin; (8) Common Knowledge Retail Customer Service score or a similar customer service measurement as measured by a third-party administrator; (9) Pharmacy Benefit Services Customer Satisfaction score; (10) net income; pretax earnings; pretax earnings before interest, depreciation and amortization; pretax operating earnings after interest expense and before incentives, service fees and extraordinary or special items; operating earnings; (11) total stockholder return; (12) any of the above goals as compared to the performance of a published or special index deemed applicable by the Committee including, but not limited to, the Standard & Poor's 500 Stock Index or a group of comparator companies; or (13) any other objective or subjective business criteria.
- (ii) Profit, earnings and revenues used for any performance goal measurement may exclude, without limitation,: gains or losses on operating asset sales or dispositions; asset write-downs; litigation or claim judgments or settlements; accruals for historic environmental obligations; effect of changes in tax law or rate on deferred tax assets and liabilities; accruals for reorganization and restructuring programs; uninsured catastrophic property losses; the effect of changes in accounting standards; the cumulative effect of changes in accounting principles; the effect of dispositions of companies or businesses; charges related to the acquisition and integration of companies or businesses; and any items excluded from the calculation of ordinary income (or loss) determined in accordance with generally accepted accounting principles (which may include, without limitation, extraordinary items or significant unusual or infrequently occurring items) and/or described in management's discussion and analysis of financial performance appearing in the Corporation's annual report to stockholders for the applicable year.

(c) *Performance Period.* Achievement of performance goals in respect of such Performance Awards shall be measured over a performance period of at least one (1) year and up to ten (10) years, as specified by the Committee.

(d) *Settlement of Performance Awards; Other Terms.* Settlement of such Performance Awards shall be in cash, Stock, other Awards or other property, at the discretion of the Committee. The Committee may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with such Performance Awards, but may not exercise discretion to increase any such amount payable to a Covered Employee in respect of a Performance Award subject to this Section 9(b). The Committee shall specify the circumstances in which such Performance Awards shall be paid or forfeited in the event of termination of employment of the Participant prior to the end of a performance period or settlement of Performance Awards.

10. Change in Control.

(a) *Effect of "Change in Control".* In the event that a Participant experiences a Termination Without Cause or a Constructive Termination Without Cause within two (2) years following a "Change in Control," the following provisions shall apply unless otherwise provided in the Award agreement:

- (i) Within two (2) years of a Change in Control, any Award carrying a right to exercise that was not previously exercisable and vested shall become fully exercisable and vested upon a Termination Without Cause or a Constructive Termination Without Cause and shall remain exercisable and vested for the balance of the stated term of such Award without regard to any termination of employment by the Participant, subject only to applicable restrictions set forth in Section 11(a) hereof;
- (ii) Within two (2) years of a Change in Control, the restrictions, deferral of settlement and forfeiture conditions applicable to any other Award granted under the Plan shall lapse and such Awards shall be deemed fully vested upon a Termination Without Cause or a Constructive Termination Without Cause, except to the extent of any waiver by the Participant and subject to applicable restrictions set forth in Section 11(a) hereof; and
- (iii) With respect to any outstanding Award subject to achievement of performance goals and conditions under the Plan, such performance goals and other conditions will be deemed to be met at actual performance or prorated as of the date of termination.

(b) *Definition of "Change in Control".* A "Change in Control" shall be deemed to have occurred if:

- (i) any Person (other than (w) the Corporation, (x) any trustee or other fiduciary holding securities under any employee benefit plan of the Corporation, (y) any corporation owned, directly or indirectly, by the stockholders of the Corporation immediately after the occurrence with respect to which the evaluation is being made in substantially the same proportions as their ownership of the common stock of the Corporation immediately prior to such occurrence, or (z) any surviving or resulting entity from a merger or consolidation referred to in clause (iii) below that does not constitute a Change in Control under clause (iii) below) becomes the Beneficial Owner (except that a Person shall be deemed to be the Beneficial Owner of all shares that any such Person has the right to acquire pursuant to any agreement or arrangement or upon exercise of conversion rights, warrants or options or otherwise, without regard to the sixty (60) day period referred to in Rule 13d-3 under the Exchange Act), as directly or indirectly, of securities of the Corporation or of any subsidiary owning directly or indirectly all or substantially all of the consolidated assets of the Corporation (a "Significant Subsidiary"), representing thirty percent (30%) or more of the combined voting power of the Corporation's or such Significant Subsidiary's then outstanding securities;

- (ii) during any period of twelve (12) consecutive months, individuals who at the beginning of such period constitute the Board, and any new director whose election by the Board or nomination for election by the Corporation's stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the twelve (12)-month period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board;
 - (iii) the consummation of a merger or consolidation of the Corporation or any Significant Subsidiary with any other entity, other than a merger or consolidation which would result in the voting securities of the Corporation or a Significant Subsidiary outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than fifty percent (50%) of the combined voting power of the surviving or resulting entity outstanding immediately after such merger or consolidation; or
 - (iv) the consummation of a transaction (or series of transactions within a twelve (12)-month period) which constitutes the sale or disposition of all or substantially all of the consolidated assets of the Corporation but in no event assets having a gross fair market value of less than forty percent (40%) of the total gross fair market value of all of the consolidated assets of the Corporation (other than such a sale or disposition immediately after which such assets will be owned directly or indirectly by the stockholders of the Corporation in substantially the same proportions as their ownership of the common stock of the Corporation immediately prior to such sale or disposition).
- (c) *Definition of "Termination Without Cause" and "Constructive Termination Without Cause".*
- (i) "Termination Without Cause" shall mean the involuntary termination of a Participant's employment by the Corporation or a subsidiary without Cause.
 - (ii) "Constructive Termination Without Cause" shall mean the Participant's termination of his or her employment following the occurrence, without the Participant's written consent, of one or more of (A) an assignment of any duties to the Participant that is materially inconsistent with Participant's position, (B) a material decrease in Participant's annual base salary or target annual incentive award opportunity, or (C) a relocation of Participant's principal place of employment more than thirty-five (35) miles from Participant's place of employment before such relocation. In all cases, no Constructive Termination Without Cause shall be deemed to have occurred if any such event occurs as a result of a prior termination. In addition, no Constructive Termination Without Cause shall be deemed to have occurred unless the Participant provides written notice to the Corporation that any such event has occurred, which notice identifies the event and is provided within thirty (30) days of the initial occurrence of such event, a cure period of forty-five (45) days following the Corporation's receipt of such notice expires and the Corporation has not cured such event within such cure period, and the Participant actually terminates his/her employment within thirty (30) days of the expiration of the cure period.
 - (iii) "Cause" shall be deemed to occur if the Participant (A) willfully and materially breaches any of his or her obligations to the Corporation with respect to confidentiality, cooperation with regard to litigation, non-disparagement and non-solicitation; (B) is convicted of a felony involving moral turpitude; or (C) engages in conduct that constitutes willful gross neglect or willful gross misconduct in carrying out Participant's duties to the Corporation, resulting, in either case, in material harm to the financial condition or reputation of the Corporation.

11. General Provisions.

- (a) *Compliance with Legal and Other Requirements.* The Corporation may, to the extent deemed necessary or advisable by the Committee, postpone the issuance or delivery of Stock or payment of other benefits under any Award until completion of such registration or qualification of such Stock or other required action under any federal or state law, rule or regulation, listing or other required action with respect to any stock exchange or automated quotation system upon which the Stock or other securities of the Corporation are listed or quoted, or compliance with any other obligation of the Corporation, as the Committee may consider appropriate, and may require any Participant to make such representations, furnish such information and comply with or be subject to such other conditions as it may consider appropriate in connection with the issuance or delivery of Stock or payment of other benefits in compliance with applicable laws, rules, and regulations, listing requirements, or other obligations. The foregoing notwithstanding, in connection with a Change in Control, the Corporation shall take or cause to be taken no action, and shall undertake or permit to arise no legal or contractual obligation, that results or would result in any postponement of the issuance or delivery of Stock or payment of benefits under any Award or the imposition of any other conditions on such issuance, delivery or payment, to the extent that such postponement or other condition would represent a greater burden on a Participant than existed on the ninetieth (90th) day preceding the Change in Control.
 - (b) *Limits on Transferability; Beneficiaries.* No Award or other right or interest of a Participant under the Plan shall be pledged, hypothecated or otherwise encumbered or subject to any lien, obligation or liability of such Participant to any party (other than the Corporation or a subsidiary), or assigned or transferred by such Participant otherwise than by will or the laws of descent and distribution or to a Beneficiary upon the death of a Participant, and such Awards or rights that may be exercisable shall be exercised during the lifetime of the Participant only by the Participant or his or her guardian or legal representative, except that Awards and other rights (other than ISOs in tandem therewith) may be transferred (without receipt of value from the transferee) to one or more Beneficiaries, family members or other permitted transferees designated by the Committee during the lifetime of the Participant, and may be exercised by such transferees in accordance with the terms of such Award, but only if and to the extent such transfers are permitted by the Committee pursuant to the express terms of an Award agreement (subject to any terms and conditions which the Committee may impose thereon). A Beneficiary, transferee, or other person claiming any rights under the Plan from or through any Participant shall be subject to all terms and conditions of the Plan and any Award agreement applicable to such Participant, except as otherwise determined by the Committee, and to any additional terms and conditions deemed necessary or appropriate by the Committee.
 - (c) *Adjustments.* In the event that any dividend or other distribution (whether in the form of cash, Stock, or other property), recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, share
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exchange, liquidation, dissolution or other similar corporate transaction or event affects the Stock such that an adjustment is determined by the Committee to be appropriate under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and kind of shares of Stock which may be delivered in connection with Awards granted thereafter, (ii) the number and kind of shares of Stock by which annual per-person Award limitations are measured under Section 5 hereof, (iii) the number and kind of shares of Stock subject to or deliverable in respect of outstanding Awards, and (iv) the exercise price, grant price or purchase price relating to any Award and/or make provision for payment of cash or other property in respect of any outstanding Award. In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards (including Performance Awards and performance goals) in recognition of unusual or nonrecurring events (including, without limitation, events described in the preceding sentence, as well as acquisitions and dispositions of businesses and assets) affecting the Corporation, any subsidiary or any business unit, or the financial statements of the Corporation or any subsidiary, or in response to changes in applicable laws, regulations, accounting principles, tax rates and regulations or business conditions or in view of the Committee's assessment of the business strategy of the Corporation, any subsidiary or business unit thereof, performance of comparable organizations, economic and business conditions, personal performance of a Participant, and any other circumstances deemed relevant.

- (d) **Taxes.** The Corporation and any subsidiary is authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Stock, or any payroll or other payment to a Participant, amounts of withholding and other taxes required to be withheld by the applicable employment tax rules in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Corporation to satisfy obligations for the payment of withholding taxes relating to any Award. To the extent permitted by applicable law, the Committee shall be entitled to deduct and withhold additional amounts so long as such additional deductions would not cause an Award classified as equity under applicable accounting principles and standards to be classified as a liability award under such principles and standards. The Committee's authority shall also include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of such withholding tax obligations.
 - (e) **Changes to the Plan and Awards.** The Board may amend, alter, suspend, discontinue or terminate the Plan or the Committee's authority to grant Awards under the Plan without the consent of stockholders or Participants, except that any amendment or alteration to the Plan shall be subject to the approval of the Corporation's stockholders not later than the annual meeting next following such Board action if such stockholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the Stock may then be listed or quoted, or if the amendment increases the number of shares of Stock reserved and available for delivery in connection with Awards, materially modifies the requirements as to eligibility for participation in the Plan, or materially increases the benefits accruing to Participants, and the Board may otherwise, in its discretion, determine to submit other such changes to the Plan to stockholders for approval; provided that, without the consent of an affected Participant, no such Board action may materially and adversely affect the rights of such Participant under any previously granted and outstanding Award, except to the extent the Committee considers such amendment necessary or advisable to comply with any law, regulation, ruling, judicial decision, accounting standards, regulatory guidance or other legal requirement. Subject to the provisions of Section 7(a) the Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate any Award theretofore granted and any Award agreement relating thereto, except as otherwise provided in the Plan; provided that, without the consent of an affected Participant, no such Committee action may materially and adversely affect the rights of such Participant under such Award.
 - (f) **Limitation on Rights Conferred under Plan.** Neither the Plan nor any action taken hereunder shall be construed as (i) giving any Eligible Person or Participant the right to continue as an Eligible Person or Participant or in the employ or service of the Corporation or a subsidiary, (ii) interfering in any way with the right of the Corporation or a subsidiary to terminate any Eligible Person's or Participant's employment or service at any time, (iii) giving an Eligible Person or Participant any claim to be granted any Award under the Plan or to be treated uniformly with other Participants and employees, or (iv) conferring on a Participant any of the rights of a stockholder of the Corporation unless and until the Participant is duly issued or transferred shares of Stock in accordance with the terms of an Award.
 - (g) **Unfunded Status of Awards; Creation of Trusts.** The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant or obligation to deliver Stock pursuant to an Award, nothing contained in the Plan or any Award shall give any such Participant any rights that are greater than those of a general creditor of the Corporation; provided that the Committee may authorize the creation of trusts and deposit therein cash, Stock, other Awards or other property, or make other arrangements to meet the Corporation's obligations under the Plan. Such trusts or other arrangements shall be consistent with the "unfunded" status of the Plan unless the Committee otherwise determines with the consent of each affected Participant. The trustee of such trusts may be authorized to dispose of trust assets and reinvest the proceeds in alternative investments, subject to such terms and conditions as the Committee may specify and in accordance with applicable law.
 - (h) **Non-exclusivity of the Plan.** Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Corporation for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable.
 - (i) **Payments in the Event of Forfeitures; Fractional Shares.** Unless otherwise determined by the Committee, in the event of a forfeiture of an Award with respect to which a Participant paid cash or other consideration, the Participant shall be repaid the amount of such cash or other consideration. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.
 - (j) **Governing Law.** The validity, construction and effect of the Plan, any rules and regulations under the Plan, and any Award agreement shall be determined in accordance with the Delaware General Corporation Law, without giving effect to principles of conflicts of laws, and applicable federal law.
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- (k) *Recoupment.* Each Award under the Plan shall be subject to the terms of the Corporation's Recoupment Policies, and to such other recoupment policies or provisions as may be required under the terms of any agreement between the Corporation and any regulatory authority or as may be required under applicable law.
- (l) *Code Section 409A.* With respect to Awards subject to Code Section 409A, the Plan is intended to comply with the requirements of Code Section 409A, and the provisions hereof shall be interpreted in a manner that satisfies the requirements of Code Section 409A and the related regulations, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and deemed amended so as to avoid this conflict. The Committee may not accelerate the payment or settlement of any Award that constitutes a deferral of compensation for purposes of Code Section 409A except to the extent such acceleration would not result in the Participant incurring interest or additional tax under Code Section 409A. Notwithstanding anything in the Plan to the contrary, if a Participant is determined under rules adopted by the Committee to be a "specified employee" within the meaning of Code Section 409A(a)(2)(B)(i) and as defined in the Corporation's Universal 409A Definition Document, payment under any Award hereunder shall be delayed to the extent necessary to avoid a violation of Code Section 409A.
- (m) *Plan Effective Date and Stockholder Approval; Expiration Date.* The Plan has been initially adopted by the Board on March 2, 2017, subject to approval by the stockholders of the Corporation, in accordance with applicable law. The Plan will become effective on the date of such approval. Unless an extension is approved by the stockholders of the Corporation, the Plan shall have a term that expires on May 9, 2027, after which no further Awards may be made, provided, however, that the provisions of the Plan shall continue to apply to Awards made prior to such date. The Plan as last amended was adopted by the Board on March 21, 2024, and became effective upon approval by the Company's stockholders on May 16, 2024 by a vote sufficient to meet the requirements of Section 423(b)(2) of the Code.



CVS HEALTH CORPORATION
PERFORMANCE STOCK UNIT AGREEMENT
GRANT DATE: %%OPTION_DATE,'Month DD, YYYY'%%-%

1. GRANT OF AWARD. Pursuant and subject to the provisions of the 2017 Incentive Compensation Plan of CVS Health Corporation (the “**Plan**”), on the date set forth above (the “**Grant Date**”), CVS Health Corporation (the “**Company**”) has granted and hereby evidences by the Performance Stock Units (the “**PSUs**”) awarded herein, to the person named below (the “**Participant**”), subject to the terms and conditions set forth and incorporated in this PSU agreement (the “**Agreement**”), the right to a future payment of shares of common stock (\$0.01 par value) of the Company (the “**Shares**”), subject to required tax withholding. The actual number of Shares (if any) that the Participant receives shall be subject to the terms and conditions of the Plan and the Agreement, including, without limitation, the Company’s achievement of the performance goals set forth in Appendix A and as determined under Section 13 of the Agreement. The fair market value of the Shares on any date is the closing price of the Company’s common stock on such date (the “**FMV**”). The Plan is hereby made a part hereof and the Participant agrees to be bound by all the provisions of the Plan. Capitalized terms not otherwise defined herein shall have the meaning assigned to such term(s) in the Plan. On the Grant Date specified above, the fair value, as determined utilizing the methodology approved by the Management Planning and Development Committee of the Board of Directors (the “**Committee**”) or its delegate, of each PSU is as stated below.

Participant:	%%FIRST_NAME_MIDDLE_NAME_LAST_NAME%%-%
Employee ID:	%%EMPLOYEE_IDENTIFIER%%-%
Target Number of PSUs (#):	%%TOTAL_SHARES_GRANTED,'999,999,999'%%-%
Grant Date Fair Value:	%%MARKET_VALUE%%-%

2. VOTING RIGHTS. A PSU does not represent an equity interest in the Company and carries no voting rights. The Participant shall have no rights of a shareholder with respect to the PSUs and will have rights of a shareholder only with respect to the Shares that have been delivered to the Participant pursuant to the terms set forth herein.

3. VESTING OF PSU AWARD AND HOLDING PERIOD.

(a) Subject to the terms and conditions of the Plan and the Agreement and subject to Participant’s continued employment, the PSUs shall vest and become non-forfeitable on April 1, 2027 or such other date as may be provided in Section 7 (the “**Vest Date**”), based on the level of achievement of the performance goals set forth in Appendix A (and as determined by reference to Appendices B and C), and shall be determined by multiplying the number of PSUs that are subject to the Agreement by the applicable performance adjustment shown in Appendix A for the attained level of the performance goals. The “**Performance Period**” shall be the three-year period commencing on January 1, 2024 and ending on December 31, 2026.

(b) The Participant shall be entitled to receive (and the Company shall deliver to the Participant) the Shares (if any), subject to any applicable withholdings, within thirty (30) days or as soon as administratively practicable thereafter following the Vest Date, unless delivery of the Shares has been deferred in accordance with Section 5 below (the date of such delivery of the Shares being hereafter referred to as the “**Settlement Date**”).

(c) Notwithstanding anything herein to the contrary, if the Participant is a Designated Officer as referenced in the Management Planning and Development Committee Charter or becomes a Designated Officer at any time during the Performance Period, the Participant agrees and covenants that as a condition to the receipt of the grant of PSUs and the payment of the PSUs hereunder, the Participant shall not sell or otherwise transfer any Shares issued and transferred to the Participant pursuant to the Agreement (including with respect to any Shares that are deferred under Section 5(a)) until the first anniversary of the Settlement Date or the first anniversary of the Participant's date of separation from the Company, if earlier, (such period hereinafter referred to as the "**Holding Period**"), except that the Participant shall be permitted, prior to the end of the Holding Period, (a) to sell or transfer shares to pay applicable tax and social security withholdings, if any, with respect to such settlement (or, alternatively, if the Company withholds such Shares pursuant to Section 6 of the Agreement, the requirements in this Section 3(c) not to sell or otherwise transfer any Shares shall only apply to the number of such Shares delivered to the Participant (i.e., after such withholding of Shares)), (b) to sell or transfer shares upon a Change in Control, or (c) to transfer Shares to the Participant's personal brokerage account. The Participant's attempt to assign or transfer Shares subject to the Agreement, either voluntarily or involuntarily, contrary to the provisions hereof, shall be null and void and without effect. The Company may, in its sole discretion, impose restrictions on the assignment or transfer of Shares consistent with the provisions hereof, including, without limitation, by or through the transfer agent for such Shares or by means of legending stock certificates or otherwise.

4. REQUIRED ACCEPTANCE OF AWARD. The Participant is required to accept the award in the manner required by the Company prior to the first anniversary of the Grant Date. The PSUs will not vest and shall be forfeited in full if the Company has not received the Participant's acceptance of the terms and conditions set forth herein prior to the first anniversary of the Grant Date. Acceptance shall be submitted electronically as required by the Company.

5. DEFERRED STOCK COMPENSATION PLAN.

(a) In accordance with rules promulgated by the Committee, the Participant, to the extent eligible under the CVS Health Deferred Stock Compensation Plan, may elect to defer delivery of the Shares in settlement of PSUs covered by the Agreement. Any such deferred delivery date elected by the Participant shall become the Settlement Date for purposes of the Agreement.

(b) To the extent dividends are paid on such deferred Shares following the Vest Date and prior to the Settlement Date, the Participant shall be entitled to receive additional deferred Shares equal to: (x) the amount of the dividend per Share as declared by the Company's Board of Directors multiplied by (y) the number of deferred Shares held by the Participant on the record date of such dividend, divided by (z) the FMV of a Share on such dividend payment date.

6. WITHHOLDING FOR TAXES. On the Settlement Date the number of the Shares to be delivered by the Company to the Participant shall be reduced by the number of the Shares having a FMV at least equal to the dollar amount of Federal, state and local tax withholding required to be withheld by the Company with respect to related PSUs on such date.

7. TERMINATION OF EMPLOYMENT.

(a) Except as provided in Section 7 (b) – (e) below, if, for any reason, the Participant's employment with the Company and any subsidiary of the Company terminates, all the PSUs not then vested in accordance with Section 3 above shall be immediately forfeited.

(b) **Qualified Retirement or Involuntary Termination with Severance.** In the event the Participant's employment with the Company and any subsidiary of the Company terminates by reason of a "Qualified Retirement" or an involuntary termination and the Participant receives severance pay following the Participant's employment, the PSUs shall vest on a pro rata basis as of the Participant's employment termination date and shall settle in accordance with the original schedule set forth in Section 3 of the Agreement as follows: the total number of PSUs to which the Participant shall be entitled shall be equal to the number of PSUs based upon actual performance as of the end of the

Performance Period multiplied by the following fraction: (A) the numerator shall be the whole number of months elapsed as of the employment termination date since the later of (i) the beginning of the Performance Period or (ii) the Participant's hire date and (B) the denominator shall be the number of months in the Performance Period. For purposes of this calculation, the number of months in the numerator in sub-section (A) above shall include any partial month in which the Participant has been employed. For example, if the time elapsed between the beginning of the Performance Period and the Qualified Retirement date is eight (8) months and five (5) days and the Participant has been employed for such entire period, the numerator in sub-section (A) above shall be nine (9). A "**Qualified Retirement**" shall mean ALTERNATIVE: [a termination of employment on or after attainment of age fifty-five (55) with at least ten (10) years of continuous service or attainment of age sixty (60) with at least five (5) years of continuous service, provided that: (i) if the Participant terminates employment voluntarily, the Participant has provided the Company with at least ninety (90) days advance written notice, in accordance with the provisions of Section 8 below, of the Participant's retirement date or such other term of advance written notice as is determined by the Chief People Officer of the Company; or (ii) if the Company terminates the Participant's employment, such termination is without cause, as determined by the Company in its sole discretion ("**Cause**"). The pro-rated PSUs that vest upon a Qualified Retirement or an involuntary termination with severance shall settle on the Settlement Date that would have applied had the pro-rated PSUs vested under the original schedule set forth in Section 3 of the Agreement] or [specific terms determined in advance by the Management Planning and Development Committee].

(c) **Disability.** In the event the Participant's employment with the Company and any subsidiary of the Company terminates by reason of total and permanent disability (as defined in the Company's Long-Term Disability Plan, or, if not defined in such Plan, as defined by the Social Security Administration), the PSUs shall vest on a pro rata basis as of the employment termination date and shall settle within thirty (30) days of the employment termination date or as soon as administratively practicable thereafter in an amount equal to the following: the number of PSUs based upon target performance as of the end of the Performance Period multiplied by the following fraction: (A) the numerator shall be the whole number of months elapsed as of the employment termination date, which is the last date that the Participant is employed by the Company and any subsidiary of the Company, since the later of (i) the beginning of the Performance Period or (ii) the Participant's hire date and (B) the denominator shall be the number of months in the Performance Period. For purposes of this calculation, the number of months in the numerator in sub-section (A) above shall include any partial month in which the Participant has been employed. For example, if the time elapsed between the beginning of the Performance Period and the employment termination date is eight (8) months and five (5) days and the Participant has been employed for such entire period, the numerator in sub-section (A) above shall be nine (9).

(d) **Death.** In the event the Participant's employment with the Company and any subsidiary of the Company terminates by reason of the Participant's death, the PSUs not then vested in accordance with Section 3 shall immediately vest as of the date of death based upon target performance and shall settle within thirty (30) days of death or as soon as administratively practicable thereafter.

(e) **Change in Control.** In the event of a Change in Control, the applicable provisions of the Plan with respect to a Change in Control shall apply.

(f) **Transfer of Employment.** Transfer of the Participant's employment between the Company and a subsidiary of the Company or between subsidiaries of the Company shall not be treated as a termination of employment.

(g) **Taxes.** Participant will be responsible for any applicable withholding or other taxes that become due as a result of PSUs that vest as of the employment termination date or thereafter.

8. **NOTICE.**

(a) A retirement notice required to be given hereunder to the Company under Section 7 (b) shall be in writing, shall include "Retirement Notice" in the subject line, and shall be provided (i) to the Participant's leader and (ii) to equityadministration@cvshealth.com (if by electronic mail) or CVS Health Corporation, Attention: Executive Director, Executive Compensation, One CVS Drive, Woonsocket, RI 02895 (if by regular mail).

(b) Any notice required to be given hereunder to the Participant shall be addressed to the Participant at the address shown on the records of the Company.

(c) Either party may hereafter designate an alternate address in writing, which designation shall be sent to the addresses provided in this section.

9. RECOUPMENT OF PSU AWARD. The PSUs shall be subject to the terms of the Company's Recoupment Policy as it exists from time to time, which may require the Participant to immediately repay to the Company the value of any pre-tax economic benefit that the Participant may derive from the grant of the PSUs hereunder. By accepting the grant of PSUs hereunder, the Participant acknowledges that the Company's Recoupment Policy has been made available for the Participant's reference. In addition to the Company's Recoupment Policy, the PSUs may be subject to the terms of any Company clawback policy mandated by any regulatory authority, including the New York Stock Exchange.

10. RESTRICTIVE COVENANT AGREEMENT.

(a) The grant of PSUs pursuant to the Agreement is expressly subject to and contingent upon the requirement that the Participant shall have fully executed and delivered to the Company the applicable written agreement containing the restrictive covenants required by the Company in connection with the award hereunder (such restricted covenant agreement hereafter, the "**RCA**").

If the Company intends to require the Participant to execute and deliver a new RCA in connection with the award hereunder, the Company shall provide the new RCA to the Participant and the Participant agrees to execute and deliver the new RCA by the deadline set forth by the Company. If the Participant is currently subject to an RCA and the Company does not require the Participant to execute and deliver a new RCA, then, by accepting the PSUs, pursuant to the Agreement, the Participant reaffirms the Participant's intent to comply with all of the provisions in the Participant's current RCA.

The Participant agrees that failure to execute and return the new RCA, if required, by the deadline set forth by the Company shall result in the immediate and irrevocable forfeiture of the PSUs granted hereunder and any right to receive Shares or any other payment with respect thereto.

(b) If the Participant violates any provision of the applicable RCA, as determined by the Company in its sole discretion (an "**RCA Violation**"), (i) the Participant shall immediately and irrevocably forfeit the PSUs, to the extent unvested, and shall have no right to any payment in connection with such forfeiture; and (ii) with respect to any PSUs that vested within the two (2) year period ending on the earlier of (A) the date, as determined in the sole discretion of the Company, of the Participant's RCA Violation, or (B) the Participant's termination of employment, the Participant shall be required, upon demand, to repay or otherwise reimburse the Company (including by forfeiting any deferred compensation credits in respect of such PSUs under the Company's non-qualified compensation deferral plans) an amount having a value equal to the aggregate FMV of the Shares delivered with respect to the vested PSUs as of the date the PSUs became vested plus the value of any Shares provided pursuant to Section 5(b).

By accepting the grant of PSUs under the Agreement, the Participant acknowledges and agrees that the remedy described above does not constitute the exclusive remedy for the Participant's violation of the RCA and, as the forfeiture and repayment provisions are not adequate remedies at law, the

Company may seek any additional legal or equitable remedy, including injunctive relief, for any such violation. The provisions in this section are essential economic conditions to the Company's grant of PSUs to the Participant. By receiving the grant of PSUs hereunder, the Participant agrees that the Company and its subsidiaries and affiliates may make deductions from any amounts they may owe the Participant, individually or collectively, from time to time (such as wages or other compensation, deferred compensation credits, vacation pay, severance or other payments owed following a termination of employment, as well as any other amounts owed to the Participant by the Company or its subsidiaries or affiliates) to the extent of any amounts the Participant owes the Company under this section. The provisions of this section and any amounts repayable or reimbursable by the Participant hereunder are intended to be in addition to any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002 and other applicable law.

11. SECTION 409A. The Company intends that the Agreement not violate any applicable provision of, or result in any additional tax or penalty under, Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the rules and regulations hereunder (collectively, "**Section 409A**"), and that to the extent any provisions of the Agreement do not comply with Section 409A the Company will make such changes in order to comply with Section 409A to the extent it considers reasonable. In all events, the provisions of the Company's 409A Universal Definitions Document are hereby incorporated by reference and, to the extent required to avoid a violation of Section 409A by reason of Section 409A(a)(2)(B)(i) of the Code, payment of any amounts subject to Section 409A shall be delayed until the first business day of the seventh month immediately following the employment termination date, as of which date any such delayed payments shall be made in a lump sum. For purposes of any provision of the Agreement providing for the payment of any amounts or benefits upon or following a termination of employment, references to a "termination of employment" (and corollary terms) shall be construed to refer to a "separation from service" (within the meaning of Treas. Reg. Section 1.409A-1(h)). Notwithstanding the foregoing, the Company makes no representations as to the tax treatment or consequences of any payment made hereunder, and the Participant, by accepting the PSUs under the Agreement, acknowledges that the Participant shall be solely responsible for such tax treatment or consequences.

12. LAWS AND POLICES.

(a) By accepting the grant of PSUs under the Agreement, (i) the Participant acknowledges that a copy of the Plan has been made available by the Company for the Participant's reference and agrees to be bound by the terms and conditions set forth in the Agreement and the Plan as in effect from time to time, (ii) the Participant further acknowledges that the Federal securities laws and/or the Company's policies regarding trading in its securities may limit or restrict the Participant's right to trade Shares, including without limitation, sales of the Shares acquired in connection with PSUs, and (iii) the Participant agrees to comply with such Federal securities law requirements and Company policies, as such laws and policies may be amended from time to time.

(b) Neither the execution and delivery hereof nor the grant of PSUs evidenced hereby shall constitute or be evidence of any agreement or understanding, express or implied, on the part of the Company or its subsidiaries to employ the Participant for any specific period.

13. COMMITTEE AUTHORITY. The Committee shall have the authority, in its sole discretion, to make any interpretations, determinations, and/or take any administrative actions with respect to the Plan and the Agreement, including without limitation whether any post-termination payments to the Participant shall be deemed severance pay and/or whether a termination was with or without Cause. In the event of any inconsistency between the terms hereof and the provisions of the Plan, the Plan shall govern. Furthermore, the determination of the achievement of any performance goals under the Agreement, and the amounts and calculations used in making such determination, shall be in the Board of Directors' or the Committee's sole discretion and such determination shall be final, binding and conclusive for all purposes and upon all parties. The Committee (or, if applicable, the Chief Executive Officer of the Company) may, in its discretion, reduce or increase the amount of a settlement otherwise to be made in connection with the PSUs to the extent permissible under the Plan.

14. DETRIMENTAL CONDUCT

(a) The Participant agrees that the Award covered by the Agreement is subject to the Company's Recoupment Policy and the other terms and conditions set forth in the Agreement. In addition to and without limiting the other terms and conditions of the Agreement, if prior to final settlement and release from the Holding Period the Committee determines that the Participant has engaged in Detrimental Conduct (as defined below), the Committee, in its sole discretion, will be entitled to recover from the Participant some or all of the Shares (and any related dividends) paid to the Participant pursuant to the Agreement. All such determinations by the Committee will be final and binding.

(b) The Participant agrees that during any period in which PSUs (and any related dividends) remain outstanding and payable pursuant to the Agreement, including the Holding Period, the Participant shall not engage in Detrimental Conduct. For purposes of the Agreement, "**Detrimental Conduct**" means any one of the following: (i) any conduct that would constitute Cause; (ii) the commission of a criminal act by the Participant, whether or not performed in the workplace, that subjects, or if generally known, would subject the Company or any of its subsidiaries to public ridicule or embarrassment; (iii) intentional misconduct or conduct not taken in good faith and causing significant reputational harm to the Company or any of its subsidiaries; (iv) intentional violation, or negligent disregard, of the Company's or any of its subsidiaries' policies, rules and procedures, specifically including, but not limited to, any of the Participant's obligations under the Company's Code of Conduct and workplace policies; or (v) any violation of the Participant's RCA.

(c) Payment of PSUs (and any related dividends) on the Settlement Date is specifically conditioned on the requirement that at all times prior to such Settlement Date, the Participant does not engage or has not engaged in Detrimental Conduct. In addition, releasing Shares to the Participant that would be delivered after the Holding Period is also specifically conditioned on the requirement that at all times prior to such release, the Participant does not engage or has not engaged in Detrimental Conduct. If the Committee determines in its reasonable business judgment that the Participant has failed to satisfy such requirements, then all or a portion of the PSUs (and any related dividends) and/or any Shares subject to the Holding Period that would be delivered in settlement thereof, which amount or portion shall be determined by the Committee in its sole discretion, shall be canceled and forfeited as of the date of such determination. All such determinations by the Committee will be final and binding.

15. GOVERNING LAW. The Agreement and the PSUs evidenced hereby shall be governed by the laws of Delaware, without giving effect to principles of conflict of laws.

16. ACKNOWLEDGEMENT. The Agreement shall be effective only upon the Participant's formal acceptance of the terms and conditions set forth above as required by the Company.

By: /S/ Laurie P. Havanec
Executive Vice President, Chief People Officer
CVS Health Corporation



CVS HEALTH CORPORATION
RESTRICTED STOCK UNIT AGREEMENT
GRANT DATE: %%OPTION_DATE,'Month DD, YYYY'%%-%

1. **GRANT OF AWARD.** Pursuant and subject to the provisions of the 2017 Incentive Compensation Plan of CVS Health Corporation (the “Plan”), on the date set forth above (the “Grant Date”), CVS Health Corporation (the “Company”) has granted, and hereby evidences by the Restricted Stock Units (the “RSUs”) awarded herein, to the person named below (the “Participant”), subject to the terms and conditions set forth and incorporated in this RSU agreement (the “Agreement”), the right to a future payment of shares of common stock (\$0.01 par value) of the Company (the “Shares”), subject to required tax withholding. The fair market value of the Shares on any date is the closing price of the Company’s common stock on such date (the “FMV”). The Plan is hereby made a part hereof and the Participant agrees to be bound by all the provisions of the Plan. Capitalized terms not otherwise defined herein shall have the meaning assigned to such term(s) in the Plan.

Participant: %%FIRST_NAME_MIDDLE_NAME_LAST_NAME%%-%
Employee ID: %%EMPLOYEE_IDENTIFIER%%-%
RSUs (#): %%TOTAL_SHARES_GRANTED%%-%
Grant Date FMV: %%MARKET_VALUE%%-%
Vest Date 1: %%VEST_DATE_PERIOD1,'Month DD, YYYY'%%-% %%SHARES_PERIOD1%%-%
Vest Date 2: %%VEST_DATE_PERIOD2,'Month DD, YYYY'%%-% %%SHARES_PERIOD2%%-%
Vest Date 3: %%VEST_DATE_PERIOD3,'Month DD, YYYY'%%-% %%SHARES_PERIOD3%%-%
Vest Date 4: %%VEST_DATE_PERIOD4,'Month DD, YYYY'%%-% %%SHARES_PERIOD4%%-%

2. **VOTING RIGHTS.** An RSU does not represent an equity interest in the Company and carries no voting rights. The Participant shall have no rights of a shareholder with respect to the RSUs and will have rights of a shareholder only with respect to the Shares that have been delivered to the Participant pursuant to the terms set forth herein.

3. **DIVIDEND EQUIVALENT.**
(a) To the extent dividends are paid on Shares while the RSUs remain outstanding and unvested, subject to Section 6(b), a cash amount equivalent to the dividends paid (such cash amount, a “Dividend Equivalent”) with respect to the number of Shares covered by the RSUs shall accrue. Any accrued Dividend Equivalent shall vest and be payable only upon vesting of the underlying RSUs. To the extent that the underlying RSUs do not vest hereunder, any related accrued Dividend Equivalents shall be forfeited.

(b) The Participant hereby agrees that the Company may withhold from the Dividend Equivalent(s), referred to in Section 3(a) above, amounts sufficient to satisfy the applicable tax withholding in respect of such Dividend Equivalent(s).

4. VESTING OF RSU AWARD. Subject to the terms and conditions of the Plan and the Agreement and subject to Participant's continued employment, on each vest date set forth in Section 1 (each, a "**Vest Date**") the Participant shall be entitled to receive (and the Company shall deliver to the Participant) (a) the Shares subject to the RSUs vesting on such Vest Date, within thirty (30) days of the Vest Date or as soon as administratively practicable thereafter, unless delivery of the Shares has been deferred in accordance with Section 6 below (the date of such delivery of the Shares being hereafter referred to as the "**Settlement Date**") and (b) the Dividend Equivalent(s) related to the RSUs vesting on such Vest Date, within thirty (30) days or as soon as administratively practicable thereafter. The RSUs shall vest, except as otherwise provided in Sections 5 and 8, in accordance with the schedule set forth above.

5. REQUIRED ACCEPTANCE OF AWARD. The Participant is required to accept the award in the manner required by the Company prior to the first anniversary of the Grant Date. The RSUs will not vest and shall be forfeited in full if the Company has not received the Participant's acceptance of the terms and conditions set forth herein prior to the first anniversary of the Grant Date. Acceptance shall be submitted electronically as required by the Company.

6. DEFERRED STOCK COMPENSATION PLAN.

(a) In accordance with rules promulgated by the Management Planning and Development Committee of the Board of Directors (the "**Committee**"), the Participant, to the extent eligible under the CVS Health Deferred Stock Compensation Plan (the "**DSP**"), may elect to defer delivery of the Shares in settlement of RSUs covered by the Agreement. Any such deferred delivery date elected by the Participant shall become the Settlement Date for purposes of the Agreement.

(b) Notwithstanding Section 3(a), to the extent dividends are paid on such deferred Shares prior to the Settlement Date, the Participant shall accrue a number of additional deferred Shares equal to: (x) the amount of the dividend per Share as declared by the Company's Board of Directors multiplied by (y) the number of deferred Shares held by the Participant on the record date of such dividend, divided by (z) the FMV of a Share on such dividend payment date. To the extent that the underlying RSUs do not vest hereunder, any accrued Shares related to dividends shall be forfeited. Accrued Shares related to dividends will be distributed along with the underlying deferred Shares on the Settlement Date in accordance with the DSP.

7. TAXES. On the Settlement Date the number of the Shares to be delivered by the Company to the Participant shall be reduced by the smallest number of the Shares having a FMV at least equal to the dollar amount of Federal, state and local tax withholding required to be withheld by the Company with respect to the related RSUs on such date.

8. TERMINATION OF EMPLOYMENT.

(a) Except as provided in Sections 8 (b) – (f) below, if, for any reason, the Participant's employment with the Company and any subsidiary of the Company terminates, all the RSUs not then vested in accordance with Section 4 above shall be immediately forfeited.

(b) **Termination with Severance.** In the event the Participant's employment with the Company and any subsidiary of the Company terminates and the Participant receives severance pay following Participant's employment pursuant to a written agreement approved by the Company, the RSUs shall continue to vest through the end of the specified severance period and shall settle in accordance with the original schedule set forth in Section 4 of the Agreement. Any RSUs that will not vest as of the last day of the Participant's specified severance period shall be forfeited as of the Participant's employment termination date. In the event that the Participant returns to comparable employment with the Company or any subsidiary, as determined by the Company in its sole discretion, prior to the

expiration of the specified severance period, the Participant shall be treated as if the Participant's employment with the Company or any subsidiary of the Company had continued through the severance period for purposes of determining eligibility for continued vesting (if this occurs, the Participant is required to notify the Plan administrator by electronic mail to: equityadministration@cvshealth.com). In the event that the Participant's termination of employment also qualifies as a Qualified Retirement, the terms of this Section 8(b) or the terms of Section 8(c), whichever provides for greater benefits to the Participant, as determined by the Company in its sole discretion, shall be applied with respect to determining the vesting of the RSUs that are unvested as of the employment termination date. During the specified severance period, the Participant is eligible to accrue Dividend Equivalent(s) on outstanding RSUs as described in Section 3 above.

c) **Qualified Retirement.** In the event the Participant's employment with the Company and any subsidiary of the Company terminates by reason of a "Qualified Retirement", the RSUs shall vest on a pro rata basis as of the employment termination date and shall settle in accordance with the original schedule set forth in Section 4 of the Agreement, in an amount equal to the following: (i) the number of RSUs granted on the Grant Date multiplied by the following fraction: (A) the numerator shall be the whole number of months elapsed as of the Qualified Retirement date since the Grant Date and (B) the denominator shall be the initial number of full months in the period during which vesting is required under the award (the "**Restricted Period**"), *minus* (ii) the number of RSUs granted on the Grant Date that have vested prior to the Qualified Retirement date. For purposes of this calculation, the number of months in the numerator in subsection (A) above shall include any partial month in which the Participant has been employed. For example, if the time elapsed between the Grant Date and the Qualified Retirement date is eight (8) months and five (5) days and the Participant has been employed for such entire period, the numerator in sub-section (A) above shall be nine (9). A "**Qualified Retirement**" shall mean ALTERNATIVE [a termination of employment on or after attainment of age fifty-five (55) with at least ten (10) years of continuous service or attainment of age sixty (60) with at least five (5) years of continuous service, provided that if the Company terminates the Participant's employment, such termination is without cause, as determined by the Company in its sole discretion ("**Cause**"). The Participant shall also be deemed to have experienced a Qualified Retirement if the Company terminates the Participant's employment without Cause and the Participant shall meet the age and service requirement set forth above during the severance period set forth in a written severance agreement with the Company. In the event the Participant's termination of employment qualifies as a Qualified Retirement and the Participant also enters into a written severance agreement with the Company, the terms of this Section 8(c) or the terms of Section 8(b), whichever provides for greater benefits to the Participant, as determined by the Company in its sole discretion, shall be applied with respect to determining the vesting of the RSUs that are unvested as of the employment termination date. The pro-rated RSUs that vest upon a Qualified Retirement shall settle on the Settlement Date that would have applied had the pro-rated RSUs vested under the original schedule set forth in Section 4 of the Agreement] or [specific terms determined in advance by the Management Planning and Development Committee].

d) **Disability.** In the event the Participant's employment with the Company and any subsidiary of the Company terminates by reason of total and permanent disability (as defined in the Company's Long-Term Disability Plan, or, if not defined in such plan, as defined by the Social Security Administration), the RSUs shall vest on a pro rata basis as of the employment termination date and shall settle within thirty (30) days of the employment termination date or as soon as administratively practicable thereafter in an amount equal to the following: (i) the number of RSUs granted on the Grant Date multiplied by the following fraction: (A) the numerator shall be the whole number of months elapsed as of the employment termination date and (B) the denominator shall be the initial number of full months in the Restricted Period *minus* (ii) the number of RSUs that have vested prior to the employment termination date. For purposes of this calculation, the number of months in the numerator in sub-section (A) above shall include any partial month in which Participant has been employed. For example, if the time elapsed between the Grant Date and the employment termination date is eight (8) months and five (5) days and the Participant has been employed for such entire period, the numerator in sub-section (A) above shall be nine (9).

e) **Death.** In the event the Participant's employment with the Company and any subsidiary of the Company terminates by reason of the Participant's death, the RSUs not then vested in accordance with Section 4 shall immediately vest as of the date of death and shall settle within thirty (30) days of death or as soon as administratively practicable thereafter.

f) **Change in Control.** In the event of a Change in Control, the applicable provisions of the Plan with respect to a Change in Control shall apply.

g) **Transfer of Employment.** Transfer of the Participant's employment between the Company and a subsidiary of the Company or between subsidiaries of the Company shall not be treated as a termination of employment.

h) **Taxes.** Participant will be responsible for any applicable withholding or other taxes that become due as a result of RSUs that vest as of the employment termination date or thereafter.

9. NOTICE.

(a) Any notice required to be provided under Section 8 (b) shall be provided by electronic mail to equityadministration@cvshealth.com and shall include "Notice of Reemployment" in the subject line.

(b) Any notice required to be given hereunder to the Participant shall be addressed to the Participant at the address shown on the records of the Company.

(c) Either party may hereafter designate an alternate address in writing, which designation shall be sent to the addresses provided in this section.

10. RECOUPMENT OF RSU AWARD. The RSUs shall be subject to the terms of the Company's Recoupment Policy as it exists from time to time, which may require the Participant to immediately repay to the Company the value of any pre-tax economic benefit that the Participant may derive from the grant of RSUs hereunder. By accepting the grant of RSUs hereunder, the Participant acknowledges that the Company's Recoupment Policy has been made available for the Participant's reference. In addition to the Company's Recoupment Policy, the RSUs may be subject to the terms of any Company clawback policy mandated by any regulatory authority, including the New York Stock Exchange.

11. RESTRICTIVE COVENANT AGREEMENT.

(a) The grant of RSUs pursuant to the Agreement is expressly subject to and contingent upon the requirement that the Participant shall have fully executed and delivered to the Company the applicable written agreement containing the restrictive covenants required by the Company in connection with the award hereunder (such restricted covenant agreement hereafter, the "**RCA**").

If the Company intends to require the Participant to execute and deliver a new RCA in connection with the award hereunder, the Company shall provide the new RCA to the Participant and the Participant agrees to execute and deliver the new RCA by the deadline set forth by the Company. If the Participant is currently subject to an RCA and the Company does not require the Participant to execute and deliver a new RCA, then, by accepting the RSUs, pursuant to the Agreement, the Participant reaffirms the Participant's intent to comply with all of the provisions in the Participant's current RCA.

The Participant agrees that failure to execute and return the new RCA, if required, by the deadline set forth by the Company, shall result in the immediate and irrevocable forfeiture of the RSUs granted hereunder and any right to receive Dividend Equivalents or Shares with respect thereto.

(b) If the Participant violates any provision of the applicable RCA, as determined by the Company in its sole discretion (an “**RCA Violation**”), (i) the Participant shall immediately and irrevocably forfeit the RSUs, to the extent unvested, and any related accrued Dividend Equivalents, and shall have no right to any payment in connection with such forfeiture; and (ii) with respect to any RSUs that vested within the two (2) year period ending on the earlier of (A) the date, as determined in the sole discretion of the Company, of the Participant’s RCA Violation, or (B) the Participant’s termination of employment, the Participant shall be required, upon demand, to repay or otherwise reimburse the Company (including by forfeiting any deferred compensation credits in respect of such RSUs under the Company’s non-qualified compensation deferral plans) an amount having a value equal to the aggregate FMV of the Shares delivered with respect to the vested RSUs as of the date the RSUs became vested plus any Dividend Equivalents paid on such Shares.

By accepting the grant of RSUs under the Agreement, the Participant acknowledges and agrees that the remedy described above does not constitute the exclusive remedy for the Participant’s violation of the RCA and, as the forfeiture and repayment provisions are not adequate remedies at law, the Company may seek any additional legal or equitable remedy, including injunctive relief, for any such violation. The provisions in this section are essential economic conditions to the Company’s grant of RSUs to the Participant. By receiving the grant of RSUs hereunder, the Participant agrees that the Company and its subsidiaries and affiliates may make deductions from any amounts they may owe the Participant, individually or collectively, from time to time (such as wages or other compensation, deferred compensation credits, vacation pay, severance or other payments owed following a termination of employment, as well as any other amounts owed to the Participant by the Company or its subsidiaries or affiliates) to the extent of any amounts the Participant owes the Company under this section. The provisions of this section and any amounts repayable or reimbursable by the Participant hereunder are intended to be in addition to any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002 and other applicable law.

12. SECTION 409A. The Company intends that the Agreement not violate any applicable provision of, or result in any additional tax or penalty under, Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and the rules and regulations hereunder (collectively, “Section 409A”), and that to the extent any provisions of the Agreement do not comply with Section 409A the Company will make such changes in order to comply with Section 409A to the extent it considers reasonable. In all events, the provisions of CVS Health Corporation’s 409A Universal Definitions Document are hereby incorporated by reference and, to the extent required to avoid a violation of Section 409A by reason of Section 409A(a)(2)(B)(i) of the Code, payment of any amounts subject to Section 409A shall be delayed until the first business day of the seventh month immediately following the employment termination date, as of which date any such delayed payments shall be made in a lump sum. For purposes of any provision of the Agreement providing for the payment of any amounts or benefits upon or following a termination of employment, references to a “termination of employment” (and corollary terms) shall be construed to refer to a “separation from service” (within the meaning of Treas. Reg. Section 1.409A-1(h)). Notwithstanding the foregoing, the Company makes no representations as to the tax treatment or consequences of any payment made hereunder, and the Participant, by accepting the RSUs under the Agreement, acknowledges that the Participant shall be solely responsible for such tax treatment or consequences.

13. LAWS AND POLICIES.

(a) By accepting the grant of RSUs under the Agreement, (i) the Participant acknowledges that a copy of the Plan has been made available by the Company for the Participant’s reference and agrees to be bound by the terms and conditions set forth in the Agreement and the Plan as in effect from time to time, (ii) the Participant further acknowledges that the Federal securities laws and/or the Company’s policies regarding trading in its securities may limit or restrict the Participant’s right to trade Shares, including without limitation, sales of the Shares acquired in connection with RSUs, and (iii) the Participant agrees to comply with such Federal securities law requirements and Company policies, as such laws and policies may be amended from time to time.

(b) Neither the execution and delivery hereof nor the grant of RSUs evidenced hereby shall constitute or be evidence of any agreement or understanding, express or implied, on the part of the Company or its subsidiaries to employ the Participant for any specific period.

14. COMMITTEE AUTHORITY. The Committee shall have the authority, in its sole discretion, to make any interpretations, determinations, and/or take any administrative actions with respect to the Plan and the Agreement, including without limitation whether any post-termination payments to the Participant shall be deemed severance pay and/or whether a termination was with or without Cause. In the event of any inconsistency between the terms hereof and the provisions of the Plan, the Plan shall govern.

15. GOVERNING LAW. The Agreement and the RSUs evidenced hereby shall be governed by the laws of Delaware, without giving effect to principles of conflict of laws.

16. ACKNOWLEDGEMENT. The Agreement shall be effective only upon the Participant's formal acceptance of the terms and conditions set forth above as required by the Company.

By: /S/ Laurie P. Havanec
Executive Vice President, Chief People Officer
CVS Health Corporation



CVS HEALTH CORPORATION
NONQUALIFIED STOCK OPTION AGREEMENT
GRANT DATE: %%OPTION_DATE,'Month DD, YYYY'%%-%

1. **GRANT OF AWARD.** Pursuant and subject to the provisions of the 2017 Incentive Compensation Plan of CVS Health Corporation (the “Plan”), on the date set forth above (the “Grant Date”), CVS Health Corporation (the “Company”) has granted and hereby evidences the award to the person named below (the “Participant”), subject to the terms and conditions set forth or incorporated in this Nonqualified Stock Option Agreement (the “Agreement”), the right, and option, to purchase from the Company the aggregate number of shares of common stock (\$0.01 par value) of the Company (the “Shares”) set forth below, at the purchase price indicated below (the “Option”), such Option to be exercised as hereinafter provided. The fair market value of the Shares on any date is the closing price of the Company’s common stock on such date (the “FMV”). The Plan is hereby made a part hereof and Participant agrees to be bound by all the provisions of the Plan. Capitalized terms not otherwise defined herein shall have the meaning assigned to such term(s) in the Plan. The Option is a nonqualified option as defined in the Plan.

Participant:	%%FIRST_NAME_MIDDLE_NAME_LAST_NAME%%-%		
Employee ID:	%%EMPLOYEE_IDENTIFIER%%-%		
Shares:	%%TOTAL_SHARES_GRANTED%%-%		
Option Price:	%%OPTION_PRICE,'\$999,999,999.99'%%-%		
Vest Date 1:	%%VEST_DATE_PERIOD1,'Month DD, YYYY'%%-%	%%SHARES_PERIOD1%%-%	
Vest Date 2:	%%VEST_DATE_PERIOD2,'Month DD, YYYY'%%-%	%%SHARES_PERIOD2%%-%	
Vest Date 3:	%%VEST_DATE_PERIOD3,'Month DD, YYYY'%%-%	%%SHARES_PERIOD3%%-%	
Vest Date 4:	%%VEST_DATE_PERIOD4,'Month DD, YYYY'%%-%	%%SHARES_PERIOD4%%-%	

2. **TERM OF OPTION.** The term of the Option shall be for a period of ten (10) years from the Grant Date, subject to the earlier termination of the Option as set forth in the Plan and in the Agreement, and shall expire on the last day of its term (the “Expiration Date”). No portion of the Option shall be exercisable after the Expiration Date.

3. **VESTING AND EXERCISE OF OPTION.**
(a) The Option, subject to the provisions of the Plan, shall be exercised by submitting a request to exercise to the Company’s stock plan administrator, in accordance with the Company’s current exercise policies and procedures, specifying the number of Shares to be purchased, which number may not be less than one hundred (100) Shares (unless the number of Shares purchased is the total balance). An exercise by the Participant of all or part of the Option shall be effected through the Company’s “cashless exercise” procedures. Otherwise, at the time of exercise, Participant shall tender to the Company cash or cash equivalents for the aggregate option price of the Shares, which is the FMV of the Shares as of the Grant Date (the “Option Price”), that the Participant has elected to purchase or certificates for Shares of common stock of the Company owned by the Participant for at

least six (6) months with a FMV at least equal to the aggregate Option Price of the Shares that the Participant has elected to purchase, or a combination of the foregoing.

(b) Prior to its expiration or termination and except as otherwise provided herein, the Option will become vested in accordance with the vesting schedule set forth above, each date on which vesting occurs a "**Vest Date**", and the Option will be exercisable by the Participant to the extent vested prior to the Expiration Date so long as the Participant has maintained continuous employment with the Company or a subsidiary of the Company from the Grant Date through the exercise date.

(c) Notwithstanding anything to the contrary in the Agreement or the Plan, the vested and exercisable portion of the Option that remains outstanding on the last business day prior to the Expiration Date (the "**Automatic Exercise Date**") shall be deemed to have been automatically exercised by the Participant, without any further action or notice by the Company or the Participant, at such time if: (i) (A) the Participant is employed with the Company or any of its subsidiaries on the Automatic Exercise Date or (B) the Expiration Date would occur while the Option remains exercisable pursuant to Sections 8 and 9 of the Agreement, (ii) the Participant has accepted the Option as required by the Company under Section 4, and (iii) the FMV of a Share on the Automatic Exercise Date exceeds the Option Price. The exercise of the Option pursuant to this Section 3(c) shall be effected through the Company's "cashless exercise" procedures. Notwithstanding the foregoing, there is no guarantee that an automatic exercise pursuant to this Section 3(c) will be effected on the Participant's behalf and neither the Company nor any other party will bear any responsibility or liability if such an automatic exercise is not effected and instead the Option expires unexercised. Accordingly, the Participant shall bear sole responsibility for ensuring that the Participant exercises any vested portion of the Option prior to the Expiration Date. For the avoidance of doubt, the Option shall not be deemed automatically exercised pursuant to this Section 3(c) if, on the Automatic Exercise Date, the FMV of a Share is less than or equal to the Option Price.

4. REQUIRED ACCEPTANCE OF AWARD. The Participant is required to accept the Option in the manner required by the Company prior to the first anniversary of the Grant Date. The Option will not vest and shall be forfeited in full if the Company has not received the Participant's acceptance of the terms and conditions set forth herein prior to the first anniversary of the Grant Date. Acceptance shall be submitted electronically as required by the Company.

5. TAXES. Upon a cashless exercise of the Option the Company shall withhold from the proceeds of the exercise of the Option any required taxes. If the Option is exercised other than through a cashless exercise the Company shall have the right to require the Participant to pay the amount of any withholding taxes immediately, upon notification from the Company, before the proceeds from the exercise of the Option are delivered to the Participant. Furthermore, the Company may elect to deduct such taxes from any other amounts then payable to the Participant by the Company in cash or in Shares or from any other amounts payable any time thereafter to the Participant by the Company to the extent allowed under applicable law.

6. TRANSFERABILITY. The Option may be transferred to and may thereafter be exercised by one or more members of the Participant's immediate family, the Participant's former spouse if the transfer is pursuant to a court approved divorce settlement agreement, a trust established by the Participant for the benefit of one or more members of the Participant's immediate family, or a partnership or company of which the only owners are members of the Participant's immediate family (the "**Transferee(s)**"); if, that no portion of the Option may be transferred until such time as it becomes vested and exercisable pursuant to Section 3(b) hereof, and further provided that no more than fifty percent (50%) of the exercisable Option may be transferred by Participant. A "member of the Participant's immediate family" shall mean the Participant's spouse, parents, children, grandchildren and the spouses of such parents, children and grandchildren. A Transferee will be subject to all terms and conditions applicable to the Participant under the Option prior to its transfer, except that Transferee may not transfer the Option. In order to transfer the Option, the Participant must notify the Company in the form of a "Notice of Transfer of Nonqualified Stock Option" (which form may be

obtained from the Company's Legal Department) of such transfer and include the name, address and social security number of Transferee, as well as the relationship of Transferee to the Participant. With respect to any transfer of the Option, the Participant and/or Transferee will be subject to tax reporting and be responsible for any tax liability due in accordance with the law in effect at the time of the transfer of the Option or the exercise of the transferred Option by Transferee or otherwise, as the case may be.

7. FORFEITURE OF OPTION UPON TERMINATION OF EMPLOYMENT. Unless otherwise provided for in the Plan or in the Agreement, as of the date on which the Participant's employment with the Company and its subsidiaries terminates, the Option, to the extent unexercised, whether vested or unvested, as of the Participant's employment termination date, shall be forfeited immediately in its entirety, provided that, if the Participant's employment with the Company and its subsidiaries terminates without cause, as determined by the Company in its sole discretion ("Cause"), the Option, to the extent vested and unexercised as of the employment termination date, shall be exercisable at any time on or before the ninetieth (90th) day immediately following the employment termination date and, to the extent the Option is unvested as of the employment termination date, the Option shall be forfeited immediately.

8. INVOLUNTARY TERMINATION OF EMPLOYMENT WITH SEVERANCE. In the event that the Participant's employment with the Company and its subsidiaries is terminated by the Company without Cause and Participant receives severance pay following the Participant's employment pursuant to a written agreement approved by the Company, vesting of the Option shall continue through the end of the severance period set forth in the written agreement providing for such severance pay. To the extent vested, the Option shall be exercisable at any time during the severance period and on or before the ninetieth (90th) day following the last day of the severance period, as long as no government regulations or rules are violated by such continued vesting or exercise period; provided, however, that in no event will the Option be exercisable beyond its original term. Any portion of the Option not vested as of the last day of the severance period shall be forfeited as of the last day of the severance period. In the event that the Participant returns to comparable employment with the Company or any subsidiary, as determined by the Company in its sole discretion, prior to the expiration of the severance period, the Participant shall be treated as if the Participant's employment with the Company or any subsidiary of the Company had continued through the severance period for purposes of determining eligibility for continued vesting (if this occurs, the Participant is required to notify the Plan administrator by electronic mail to: equityadministration@cvshealth.com).

9. QUALIFIED RETIREMENT. In the event the Participant's employment with the Company and any subsidiary of the Company terminates by reason of a Qualified Retirement, Participant (a) shall continue to vest in the Option for a period of three (3) years following the Participant's retirement date and (b) may exercise the Option, to the extent vested, at any time within the period of three (3) years following the Participant's retirement date, but not beyond the original term of the Option, in both cases as long as no government regulations or rules are violated by such continued vesting or exercise period. To the extent unvested or unexercised at the end of the three (3) year period following the Participant's retirement date, the Option shall be forfeited. In the event the Participant's termination of employment qualifies as a Qualified Retirement and the Participant also enters into a severance agreement with the Company, the terms of this Section 9 shall apply with respect to the vesting and exercise of the Option as of the employment termination date. A "Qualified Retirement" shall mean ALTERNATIVE: [a termination of employment on or after attainment of age fifty-five (55) with at least ten (10) years of continuous service or attainment of age sixty (60) with at least five (5) years of continuous service, provided that: (i) if the Participant terminates employment voluntarily, the Participant has provided the Company with at least ninety (90) days advance written notice, in accordance with the provisions of Section 14 below, of the Participant's retirement date or such other term of advance written notice as is determined by the Chief People Officer of the Company; or (ii) if the Company terminates the Participant's employment, such termination is without Cause. The Participant shall also be deemed to have experienced a Qualified Retirement if the Company

terminates the Participant's employment without Cause and the Participant shall meet the age and service requirement set forth above during the severance period set forth in a written severance agreement with the Company] or [specific terms determined in advance by the Management Planning and Development Committee].

10. DISABILITY. In the event the Participant's employment with the Company and any subsidiary of the Company terminates by reason of total and permanent disability (as defined in the Company's Long-Term Disability Plan, or, if not defined in such plan, as defined by the Social Security Administration), the Option shall vest as of the employment termination date on a pro-rata basis as follows: the Option shall vest with respect to a total number of the Shares equal to (i) the number of the Shares subject to the Option on the Grant Date *multiplied* by the following fraction: (A) the numerator shall be the whole number of months elapsed, as of the employment termination date, since the Grant Date and (B) the denominator shall be the initial number of full months in the period during which vesting is required under the Award, *minus* (ii) the number of the Shares with respect to which the Option vested prior to the employment termination date (whether or not the Option was previously exercised). For purposes of this calculation, the number of months in the numerator in sub-section (A) above shall include any partial month in which the Participant has been employed. For example, if the time elapsed between the Grant Date and the employment termination date is eight (8) months and five (5) days and the Participant has been employed for such entire period, the numerator in sub-section (A) above shall be nine (9). The Option may be exercised to the extent vested at any time within one (1) year of the employment termination date but in no event beyond the original term of the Option.

11. DEATH. In the event of the Participant's employment with the Company and any subsidiary of the Company terminates by reason of the Participant's death, the Option to the extent not then vested in accordance with Section 3 shall immediately vest and the Option shall remain exercisable for a period of one (1) year after the Participant's death, or until the Expiration Date, whichever occurs first, by Participant's Beneficiary. At the end of said one (1) year time period, or as of the Expiration Date if earlier, all rights with respect to the Option shall terminate and the Option shall be cancelled.

12. CHANGE IN CONTROL. In the event of a Change in Control, the applicable provisions of the Plan with respect to a Change in Control shall apply.

13. TRANSFER OF EMPLOYMENT. Transfer of the Participant's employment between the Company and a subsidiary of the Company or between subsidiaries of the Company shall not be treated as a termination of employment.

14. NOTICE.

(a) Any notice required to be provided under Section 8 shall be provided by electronic mail to equityadministration@cvshealth.com and shall include "Notice of Reemployment" in the subject line.

(b) A retirement notice required to be given hereunder to the Company under Section 9 shall be in writing, shall include "Retirement Notice" in the subject line, and shall be provided (i) to the Participant's leader and (ii) to equityadministration@cvshealth.com (if by electronic mail) or CVS Health Corporation, Attention: Senior Director, Executive Compensation, One CVS Drive, Woonsocket, RI 02895 (if by regular mail).

(c) Any notice required to be given hereunder to the Participant shall be addressed to the Participant at the address shown on the records of the Company.

(d) Either party may hereafter designate an alternate address in writing, which designation shall be sent to the addresses provided in this section.

RECOUPMENT OF OPTION AWARD. The Option shall be subject to the terms of the Company's Recoupment Policy as it exists from time to time, which may require the Participant to immediately

repay to the Company the value of any pre-tax economic benefit that the Participant may derive from the grant of the Option hereunder. By accepting the grant of the Option hereunder, the Participant acknowledges that a copy of the Company's Recoupment Policy has been made available for the Participant's reference. In addition to the Company's Recoupment Policy, the Option may be subject to the terms of any Company clawback policy mandated by any regulatory authority, including the New York Stock Exchange.

15. RESTRICTIVE COVENANT AGREEMENT.

(a) The Option granted pursuant to the Agreement is expressly subject to and contingent upon the requirement that the Participant shall have fully executed and delivered to the Company the applicable written agreement containing the restrictive covenants required by the Company in connection with the award hereunder (such restricted covenant agreement hereafter, the "**RCA**").

If the Company intends to require the Participant to execute and deliver a new RCA in connection with the grant hereunder, the Company shall provide the new RCA to the Participant and the Participant agrees to execute and deliver the new RCA by the deadline set forth by the Company. If the Participant is currently subject to an RCA and the Company does not require the Participant to execute and deliver a new RCA, then, by accepting the grant of the Option pursuant to the Agreement, the Participant reaffirms the Participant's intent to comply with all of the provisions in the Participant's current RCA.

The Participant agrees that failure to execute and return the new RCA, if required, by the deadline set forth by the Company shall result in the immediate and irrevocable forfeiture of the Option granted hereunder.

(b) If the Participant violates any provision of the applicable RCA, as determined by the Company in its sole discretion (an "**RCA Violation**"), (i) the Participant shall immediately and irrevocably forfeit the Option, to the extent unvested, and shall have no right to any payment in connection with such forfeiture; and (ii) with respect to any portion of the Option that vested within the two (2) year period ending on the earlier of (A) the date, as determined in the sole discretion of the Company, of the Participant's RCA Violation, or (B) the Participant's termination of employment, the Participant shall forfeit the Option to the extent unexercised and shall be required, upon demand, to repay or otherwise reimburse the Company an amount having a value equal to, with respect to each exercise event, the market value of the Shares subject to the exercise of the Option at the time of exercise minus the Option Price with respect to the Shares subject to the exercise of the Option.

By accepting the grant of the Option under the Agreement, the Participant acknowledges and agrees that the remedy described above does not constitute the exclusive remedy for the Participant's violation of the RCA and, as the forfeiture and repayment provisions are not adequate remedies at law, the Company may seek any additional legal or equitable remedy, including injunctive relief, for any such violation. The provisions in this section are essential economic conditions to the Company's grant of the Option to the Participant. By receiving the grant of the Option hereunder, the Participant agrees that the Company and its subsidiaries and affiliates may make deductions from any amounts they may owe the Participant, individually or collectively, from time to time (such as wages or other compensation, deferred compensation credits, vacation pay, severance or other payments owed following a termination of employment, as well as any other amounts owed to the Participant by the Company or its subsidiaries or affiliates) to the extent of any amounts the Participant owes the Company under this section. The provisions of this section and any amounts repayable or reimbursable by the Participant hereunder are intended to be in addition to any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002 and other applicable law.

16. LAWS AND POLICIES.

(a) By accepting the grant of the Option under the Agreement, (i) the Participant acknowledges that a copy of the Plan has been made available by the Company for the Participant's reference

and agrees to be bound by the terms and conditions set forth in the Agreement and the Plan as in effect from time to time, (ii) the Participant further acknowledges that the Federal securities laws and/or the Company's policies regarding trading in its securities may limit or restrict the Participant's right to trade Shares, including without limitation, sales of the Shares acquired in connection with the Option, and (iii) the Participant agrees to comply with such Federal securities law requirements and Company policies, as such laws and policies may be amended from time to time.

(b) Neither the execution and delivery hereof nor the grant of the Option evidenced hereby shall constitute or be evidence of any agreement or understanding, express or implied, on the part of the Company or its subsidiaries to employ the Participant for any specific period.

17. COMMITTEE AUTHORITY. The Management Planning and Development Committee of the Board of Directors shall have the authority, in its sole discretion, to make any interpretations, determinations, and/or take any administrative actions with respect to the Plan and the Agreement, including without limitation whether any post-termination payments to the Participant shall be deemed severance pay and/or whether a termination was with or without Cause. In the event of any inconsistency between the terms hereof and the provisions of the Plan, the Plan shall govern.

18. GOVERNING LAW. The Agreement and the Option evidenced hereby shall be governed by the laws of Delaware, without giving effect to principles of conflict of laws.

19. ACKNOWLEDGEMENT. The Agreement shall be effective only upon the Participant's formal acceptance of the terms and conditions set forth above as required by the Company.

BY: /S/ Laurie P. Havanec
Executive Vice President, Chief People Officer
CVS Health Corporation

CVS HEALTH CORPORATION

2017 INCENTIVE COMPENSATION PLAN

PERFORMANCE CASH AWARD AGREEMENT

Pursuant to its 2017 Incentive Compensation Plan (the "*Plan*"), CVS Health Corporation (the "*Company*") hereby grants to the Grantee named below a performance cash award opportunity ("*Performance Cash*" or "*Award*") with the stated Target Value on the terms and conditions hereinafter set forth. All capitalized terms used herein which are not otherwise defined herein shall have the meaning specified in the Plan.

Grant Date	Grantee/Participant	Target Value
[•]	[•]	\$[•]

1. **PAYMENT OF PERFORMANCE CASH AWARD.** Subject to Grantee achieving the Performance Goals set forth on Exhibit A, which may include weighting of multiple goals, the Company shall pay Grantee a Performance Bonus with the Target Value set forth in the table above.

(a) Initial Performance Period. "*Initial Performance Period*" means the [•]-year period ending [•].

(b) "*Initial Payment Date*" shall mean a date in calendar year 20xx when the installment of the Target Cash Incentive Award with respect to the Initial Performance Period is paid to the Grantee, which date shall be after certification of the performance goals.

(c) Subject to Section 2, [•]% of the Performance Bonus shall be payable on the Initial Payment Date, provided that Grantee has (x) achieved the Performance Goals measured through the completion of the Initial Performance Period and (y) remained employed with the Company until ALTERNATIVE: [DATE] or [the [•] anniversary of the Grant Date].

[Alternative if multiple vesting/payment dates:

(d) "*Cumulative Performance Period*" means the [•]-year period ending [•].

(e) "*Cumulative Payment Date*" shall mean a date in calendar year 20xx when the installment of the Target Cash Incentive Award with respect to the Cumulative Performance Period is paid to the Grantee, which date shall be after certification of the performance goals.

(f) Cumulative Performance Period. Subject to Section 2, [•]% of the Performance Bonus shall be payable on the Cumulative Payment Date, provided that Grantee has (x) achieved the Performance Goals measured through the completion of the Cumulative Performance Period and (y) remained employed with the Company until ALTERNATIVE: [DATE] or [the [•] anniversary of the Grant Date].

With respect to each installment of the Performance Bonus, the applicable percentage of the Target Value shall be paid as follow unless otherwise set forth on Exhibit A (with linear interpolation applying

for performance between levels): (i) 0% for achievement of performance criteria below a specified minimum threshold level ("*Threshold Performance*"), (ii) 40% for achievement of performance criteria at Threshold Performance, (iii) 100% for achievement at target level and (iv) 200% at maximum performance.

2. **TERMINATION OF EMPLOYMENT.**

(a) **General.** Except as provided in Sections 2 (b) – (f) below, if, for any reason, the Grantee's employment with the Company and any subsidiary of the Company terminates, any portion of the Award for which the performance period has not been completed in accordance with Section 1 above shall be immediately forfeited.

(b) **Termination with Severance.** In the event the Grantee's employment with the Company and any subsidiary of the Company terminates and the Grantee receives severance pay following Participant's employment pursuant to a written agreement approved by the Company, the Award shall continue to vest through the end of the specified severance period and shall settle in accordance with the original schedule set forth in Section 1 above, subject to actual performance. Any portion of the Award that will not vest as of the last day of the Grantee's specified severance period shall be forfeited as of the Grantee's employment termination date. In the event that the Grantee returns to comparable employment with the Company or any subsidiary, as determined by the Company in its sole discretion, prior to the expiration of the specified severance period, the Grantee shall be treated as if the Grantee's employment with the Company or any subsidiary of the Company had continued through the severance period for purposes of determining eligibility for continued vesting (if this occurs, the Participant is required to notify the Committee by electronic mail to: equityadministration@cvshealth.com).

(c) **Disability.** In the event the Participant's employment with the Company and any subsidiary of the Company terminates by reason of total and permanent disability (as defined in the Company's Long-Term Disability Plan, or, if not defined in such plan, as defined by the Social Security Administration), the Award shall vest on a pro rata basis as of the employment termination date and shall settle within thirty (30) days of determination of actual performance in an amount equal to the following: (i) the Target Value of the Award adjusted for actual performance multiplied by the following fraction: (A) the numerator shall be the whole number of months elapsed ALTERNATIVE:[in the performance period] or [since the Grant Date] as of the employment termination date and (B) the denominator shall be the initial number of full months in the ALTERNATIVE: [performance period] or [vesting period] *minus* (ii) any payment made in respect of an Initial Payment Date. For purposes of this calculation, the number of months in the numerator in sub-section (A) above shall include any partial month in which Participant has been employed. For example, if the time elapsed between the Grant Date and the employment termination date is eight (8) months and five (5) days and the Participant has been employed for such entire period, the numerator in sub-section (A) above shall be nine (9).

(d) **Death.** In the event the Participant's employment with the Company and any subsidiary of the Company terminates by reason of the Participant's death, the portion of the Award not then vested in accordance with Section 1 shall immediately vest as of the date of death and shall settle within thirty (30) days of death or as soon as administratively practicable thereafter based on target performance.

(e) **Change in Control.** In the event of a Change in Control, the applicable provisions of the Plan with respect to a Change in Control shall apply.

(f) **Transfer of Employment.** Transfer of the Participant's employment between the Company and a subsidiary of the Company or between subsidiaries of the Company shall not be treated as a termination of employment.

(g) **Taxes.** Participant will be responsible for any applicable withholding or other taxes that become due as a result of the Award becoming payable as of the employment termination date or thereafter, and the Company shall cause an amount sufficient to satisfy such taxes required to be withheld prior to payment of the Award.

3. RESTRICTIVE COVENANT AGREEMENT.

(a) This Award is expressly subject to and contingent upon the requirement that the Participant shall have fully executed and delivered to the Company an applicable written agreement containing the restrictive covenants required by the Company in connection with this Award (such restricted covenant agreement hereafter, the "**RCA**").

If the Company intends to require the Participant to execute and deliver a new RCA in connection with this Award, the Company shall provide the new RCA to the Participant and the Participant agrees to execute and deliver the new RCA by the deadline set forth by the Company. If the Participant is currently subject to an RCA and the Company does not require the Participant to execute and deliver a new RCA, then, by accepting the Award, pursuant to this agreement, the Participant reaffirms the Participant's intent to comply with all of the provisions in the Participant's current RCA.

The Participant agrees that failure to execute and return the new RCA, if required, by the deadline set forth by the Company, shall result in the immediate and irrevocable forfeiture of this Award.

(b) If the Participant violates any provision of the applicable RCA, as determined by the Company in its sole discretion (an "**RCA Violation**"), (i) the Participant shall immediately and irrevocably forfeit any then-unvested portion of the Award, and shall have no right to any payment in connection with such forfeiture; and (ii) with respect to any portion of the Award that vested within the two (2) year period ending on the earlier of (A) the date, as determined in the sole discretion of the Company, of the Participant's RCA Violation, or (B) the Participant's termination of employment, the Participant shall be required, upon demand, to repay to or otherwise reimburse the Company by an amount having a value equal to the aggregate payment as delivered with respect to the vested portion of the Award as of the date the Award became vested.

By accepting this Award under this agreement, the Participant acknowledges and agrees that the remedy described above does not constitute the exclusive remedy for the Participant's RCA Violation, as the forfeiture and repayment provisions are not adequate remedies at law, and that the Company may seek any additional legal or equitable remedy, including injunctive relief, for any such violation. The provisions in this section are essential economic conditions to the Company's grant of the Award to the Participant. By receiving the grant hereunder, the Participant agrees that the Company and its subsidiaries and affiliates may make deductions from any amounts they may owe the Participant, individually or collectively, from time to time (such as wages or other compensation, deferred compensation credits, vacation pay, severance or other payments owed following a termination of employment, as well as any other amounts owed to the Participant by the Company or its subsidiaries or affiliates) to the extent of any amounts the Participant owes the Company under this section. The provisions of this section and any amounts repayable or reimbursable by the Participant hereunder are intended to be in addition to any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002 and other applicable law.

4. RECOUPMENT OF AWARD.

The Award shall be subject to the terms of the Company's Recoupment Policies as they exist from time to time, which may require the Participant to immediately repay to the Company the value of any pre-tax economic benefit that the Participant may derive from the grant of the Award hereunder. By accepting the Award hereunder, the Participant acknowledges that the Company's Recoupment Policies have been made available for the Participant's reference. In addition to the Company's Recoupment Policies, the Award may be subject to the terms of any Company clawback policy mandated by any regulatory authority, including the New York Stock Exchange.

5. SECTION 409A. The Company intends that the Agreement not violate any applicable provision of, or result in any additional tax or penalty under, Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the rules and regulations hereunder (collectively, "**Section 409A**"), and that to the extent any provisions of the Agreement do not comply with Section 409A the Company will make such changes in order to comply with Section 409A to the extent it considers reasonable. In all events, the provisions of the Company's 409A Universal Definitions Document are hereby incorporated by reference and, to the extent required to avoid a violation of Section 409A by reason of Section 409A(a)(2)(B)(i) of the Code, payment of any amounts subject to Section 409A shall be delayed until the first business day of the seventh month immediately following the employment termination date, as of which date any such delayed payments shall be made in a lump sum. For purposes of any provision of this agreement providing for the payment of any amounts or benefits upon or following a termination of employment, references to a "termination of employment" (and corollary terms) shall be construed to refer to a "separation from service" (within the meaning of Treas. Reg. Section 1.409A-1(h)). Notwithstanding the foregoing, the Company makes no representations as to the tax treatment or consequences of any payment made hereunder, and the Participant, by accepting the Award under this agreement, acknowledges that the Participant shall be solely responsible for such tax treatment or consequences.

6. LAWS AND POLICES.

(a) By accepting the Award under this agreement, the Participant acknowledges that a copy of the Plan has been made available by the Company for the Participant's reference and the Participant agrees to be bound by the terms and conditions set forth in this agreement and the Plan as in effect from time to time.

(b) Neither the execution and delivery hereof nor the grant of the Award evidenced hereby shall constitute or be evidence of any agreement or understanding, express or implied, on the part of the Company or its subsidiaries to employ or continue to employ the Participant for any specific period.

7. COMMITTEE AUTHORITY. The Committee shall have the authority, in its sole discretion, to make any interpretations, determinations, and/or take any administrative actions with respect to the Plan and this agreement, including without limitation whether any post-termination payments to the Participant shall be deemed severance pay and/or whether a termination was with or without Cause. In the event of any inconsistency between the terms hereof and the provisions of the Plan, the Plan shall govern. Furthermore, the determination of the achievement of any performance goals under the Agreement, and the amounts and calculations used in making such determination, shall be in the Board of Directors' or the Committee's sole discretion and such determination shall be final, binding and conclusive for all purposes and upon all parties. The Committee (or, if applicable, the Chief Executive Officer of the Company) may, in its discretion, reduce or increase the amount of a settlement otherwise to be made in connection with the Award to the extent permissible under the Plan.

8. DETRIMENTAL CONDUCT.

(a) In addition to and without limiting the other terms and conditions of the Agreement, if prior to final settlement of the Award the Committee determines that the Participant has engaged in

Detrimental Conduct (as defined below), the Committee, in its sole discretion, will be entitled to recover from the Participant some or all of the cash paid to the Participant pursuant to this agreement. All such determinations by the Committee will be final and binding.

(b) The Participant agrees that during any period in which the Award remains outstanding and payable pursuant to this agreement, the Participant shall not engage in Detrimental Conduct. For purposes of this agreement, "**Detrimental Conduct**" means any one of the following: (i) any conduct that would constitute Cause; (ii) the commission of a criminal act by the Participant, whether or not performed in the workplace, that subjects, or if generally known, would subject the Company or any of its subsidiaries to public ridicule or embarrassment; (iii) intentional misconduct or conduct not taken in good faith and causing significant reputational harm to the Company or any of its subsidiaries; (iv) intentional violation, or negligent disregard, of the Company's or any of its subsidiaries' policies, rules and procedures, specifically including, but not limited to, any of the Participant's obligations under the Company's Code of Conduct and workplace policies; or (v) any violation of the Participant's RCA.

(c) Payment of the Award is specifically conditioned on the requirement that at all times prior to the applicable payment date, the Participant does not engage or has not engaged in Detrimental Conduct. If the Committee determines in its reasonable business judgment that the Participant has failed to satisfy such requirements, then all or a portion of the Award as determined by the Committee in its sole discretion, shall be canceled and forfeited as of the date of such determination. All such determinations by the Committee will be final and binding.

9. GOVERNING LAW. The Agreement shall be governed by the laws of Delaware, without giving effect to principles of conflict of laws.

10. ACKNOWLEDGEMENT. The Agreement shall be effective only upon the Participant's formal acceptance of the terms and conditions set forth above as required by the Company.

By: /S/ Laurie P. Havanec
Executive Vice President, Chief People Officer
CVS Health Corporation

Exhibit A

Performance-Cash Goals