



PHARMACY PROVIDER PROVISIONS

A. INTRODUCTION

These Pharmacy Provider Provisions (these "Provisions") form a part of, and are to be read together with, the Pharmacy Provider Agreement entered into by NexgenRx Inc. ("NexgenRx") with every Pharmacy Provider. In these Provisions, "you" and "your" mean and refer to a Pharmacy Provider, and "we", "us" and "our" mean and refer to NexgenRx. Before you submit any Claim to us, please read these Provisions thoroughly, because by submitting any such Claim to us you will thereby confirm your agreement with us to all of these Provisions, both generally and in respect of such Claim in particular.

Some words in these Provisions are capitalized because they are each given a specific meaning, as set out in section I below.

B. PROVISION OF SERVICE

1. Covered Benefits

You will provide the following services in connection with the dispensation of any Medication or the provision of any Advice to any individual who hands you a NexgenRx Card:

- (a) Verify Eligibility: Take such reasonable steps as you determine to be necessary, including examining such NexgenRx Card, to verify that such individual is a Cardholder eligible for Covered Benefits under a Benefit Plan, prior to your submission to us of a Claim for the dispensation of any Medication or the provision of any Advice to such individual.
- (b) Provision of Covered Benefits: In the dispensation of Covered Medications and the provision of Covered Advice to Cardholders, treat such Cardholders no less favourably, and with no less care, than any of your other customers.
- (c) Submission of Claims: Submit each Claim to us in the CPhA Standard for adjudication and payment in accordance with the Provider Manual, and take note of, respond (as you may consider necessary or desirable) to us in respect of, and exercise your professional judgment with respect to, any on-line message you receive from us regarding any Claim submitted by you to us. If any Claim or any such response cannot be transmitted on-line to us, you will make reasonable attempts to retransmit such Claim or response, failing which you will contact our Provider Help Desk to facilitate the adjudication of such Claim or communication of such response. By submitting any Claim to us, you thereby represent and warrant that you have the legal right to disclose to us the personal information contained therein concerning the Cardholder or other person to whom such Claim relates.



- (d) Collection of Copayment: You may charge and collect from each Cardholder, in respect of any Covered Benefit, the difference (if any) between your Usual and Customary Retail Price for such Covered Benefit and the amount which we will pay you in respect thereof in accordance with section D.1 below (including in such difference the amount of the applicable Copayment), but in no case (including, without limitation, any failure on our part to pay you such amount, whether due to our insolvency or otherwise) shall you charge, collect a deposit from or seek any other compensation from any Cardholder for any Covered Benefit in excess of or in addition to the amount of any such difference.

2. Compliance with Provider Manual

You will comply with the Provider Manual and the policies and procedures set forth therein.

3. Maintenance of Records

You will maintain such medical, financial and other records pertaining to Cardholders, the Medications dispensed and Advice provided by you to them, and the Claims made by you in respect of Covered Benefits, for such period of time as may be necessary or desirable to comply with applicable laws and regulations and applicable professional standards of practice, and so as to evidence your compliance with the Pharmacy Provider Agreement (including these Provisions). You will permit us, without charge and at such time or times during regular business hours as may be mutually agreed upon from time to time, to inspect, review, audit and take copies of any such records maintained by you in respect of any Cardholder or any Claim in order to enable us to determine compliance with the said Pharmacy Provider Agreement. We acknowledge that such records contain personal information concerning the Cardholders and agree to hold all such personal information in confidence in accordance with applicable law.

C. NEXGENRX SERVICES

The services that we will provide to you include (subject to the terms of the relevant Benefit Plan under which the relevant Cardholder is covered) any or all of the following:

- (a) on-line, real-time determination of Cardholder eligibility;
- (b) on-line, real-time adjudication and processing of Claims submitted by you;
- (c) on-line, real-time drug utilization review in respect of any Claim submitted by you;
- (d) full adjudication of any Claim submitted to us in order to identify as many reasons as possible (subject to the limitations of the CPhA Standard) for the rejection of such Claim by us, and on-line advice to you as to the specifics of each such reason, so as to minimize the need for repeated attempts by you for successful adjudication of such Claim;
- (e) access by telephone, fax and e-mail to our Provider Help Desk for immediate assistance to you in connection with the submission and adjudication of a Claim;



- (f) prompt payment to you by us of Claims submitted by you, by way of electronic funds transfer of the relevant amount directly into your bank account, with such payment frequency as you have chosen in the Pharmacy Provider Agreement; and
- (g) access through our website, at www.nexgenrx.com, with the use of your unique Pharmacy Provider Number and authenticated password, to a record of all Claims submitted by you and all payments made by us to you in respect of such Claims to and including the end of the then previous Business Day, accessible by you at any time every day of the year.

D. COMPENSATION

1. Adjudicated Claims

We will pay you for valid Claims adjudicated and accepted by us (a) in respect of Covered Medications, the lesser of (i) your Usual and Customary Retail Price, and (ii) a price determined by us based upon (A) current provincial price files and wholesale price data (including markup) in respect of ingredient costs and (B) the lesser of your Usual and Customary Professional Fee and the maximum amount payable under the benefit plan under which the relevant Covered Medication is to be paid for, and (b) in respect of Covered Advice, an amount determined in accordance with the applicable provisions of our Provider Manual. Payment shall be sent by us to you by electronic funds transfer, to effect a direct deposit to your bank account, each Business Day or semi-monthly as chosen by you in your Pharmacy Provider Agreement, in either case in respect of valid Claims adjudicated and accepted by us to the end of the preceding Business Day (please note that it may take more than one Business Day for any such deposit to be recognized by your bank). We may deny a Claim for a Covered Benefit submitted by you more than 30 days after the relevant Covered Medication was dispensed or Covered Advice was provided by you, or refuse to consider a rejected or disputed Claim unless it is resubmitted to us for reconsideration within 30 days of the date of its original rejection.

2. Reversals

You will effect an on-line reversal of any Claim for any Covered Medication adjudicated and approved by us if such Covered Medication is not picked up by the relevant Cardholder within 60 days of the date of such adjudication and approval.

3. Credits

If we have made a payment to you in error, in respect of any Medication or Advice which is not a Covered Benefit or otherwise, or in an amount in excess of that to which you were entitled in respect of any Claim, or on account of any Claim thereafter reversed by you as required above, we will advise you accordingly and shall have the right to deduct the relevant amount or amounts from any amount then or thereafter owed by us to you.

4. Verification of Payment

You are responsible for accessing, through our website as provided above, your account with us and verifying the accuracy of all amounts due by us to you in respect of Claims



adjudicated by us and all payments made by us to you in respect thereof. If any error has been made by us and we have paid you less than you are owed, we will pay you the amount thereof on our next payment due date as chosen by you in your Pharmacy Provider Agreement. Notwithstanding the foregoing, if you have not given us notice of any such error within 60 days of the date on which payment in respect of the disputed Claims was or should have been made by us, we shall have no obligation to look into any such error or disputed Claim or to make any, or any further, payment to you in respect thereof.

E. INDEMNITY

You shall indemnify and hold us (and our directors, officers, employees and agents) harmless in respect of any and all loss, cost, expense, claim or damage (including, without limitation, the fees and disbursements of any lawyer, subject matter expert or other professional retained by us) incurred by us in respect of or in connection with any claim, action, cause of action, demand or judgment of any kind or nature asserted or made by any person and arising, directly or indirectly, out of the compounding, dispensing or use of any Medication or the provision of any Advice by you or any asserted failure, breach or omission by you in connection therewith. Without limiting the generality of the foregoing, you acknowledge and agree that any drug utilization review information and/or other response received by you from us, on-line or from our Provider Help Desk or otherwise, in connection with any Claim, is provided by us to you as a courtesy in order to facilitate the exercise by you of your professional judgment in connection with any particular Medication to be dispensed or Advice to be provided by you, that the responsibility for providing appropriate Medication and Advice to any particular Cardholder or other person rests solely with you, and that you shall indemnify and hold us harmless in respect of any decision made or action taken by you in the exercise by you of such professional judgment.

F. INTELLECTUAL PROPERTY RIGHTS

We may use your name and address in connection with any advertising or marketing undertaken by us with any existing or prospective Plan Sponsor regarding the identity of our Pharmacy Providers, but we will not otherwise use your name or any trade name or mark owned or used by you of which we have knowledge without your prior written consent. We reserve the exclusive right to the use of the name "NexgenRx", our logo and all other trade names or marks now or hereafter used by us, and except for any marketing or advertising undertaken by you, in your retail premises or otherwise, that you accept the NexgenRx Card and will process Claims on behalf of Cardholders, you may not use our name, logo or any such other trade name or mark owned or used by us without our prior written consent. Any such use by you or by us shall cease forthwith upon the termination of the term of the Pharmacy Provider Agreement.

G. TERM

1. Indefinite Term.

The term of the Pharmacy Provider Agreement shall commence on the date thereof and shall continue indefinitely until either you or we shall give the other a notice of termination, which notice shall be effective 30 days after the date thereof.



2. Immediate Termination.

Notwithstanding the foregoing section G.1, the term of the Pharmacy Provider Agreement shall automatically and immediately be terminated if (a) you shall cease to be licensed by the relevant provincial licensing authority; (b) you submit to us any fraudulent Claim or fraudulently provide us with any false information in respect of any Claim; (c) you become bankrupt or go into receivership, winding up or liquidation proceedings, whether voluntarily or involuntarily, or (d) there is a change in your control (unless your voting shares are listed and posted for trading or a public stock exchange) without our agreement to such change in control (such agreement on our part not to be unreasonably withheld or delayed).

3. Survival.

Notwithstanding any such termination of the term of the Pharmacy Provider Agreement, sections B.3, D, E, F, H.3 and I shall remain in full force and effect following the date of such termination.

H. GENERAL PROVISIONS

1. Notices.

Any notice required or permitted under the Pharmacy Provider Agreement shall be in writing and sent by registered mail or by courier addressed to the party to whom such notice is given at the address set forth for such party in the Pharmacy Provider Agreement, or to such other address as such party, in accordance with this section, shall have notified the other party. Any such notice so mailed shall be deemed to have been given and received on the third Business Day following the date of mailing, and any such notice so couriered shall be deemed to have been given and received on the date of delivery, if delivered prior to 5:00 p.m. (local time of the recipient) that date, and in any other case on the next following Business Day.

2. Entire Agreement.

The Pharmacy Provider Agreement (including these Provisions) and the Provider Manual constitute the entire agreement between you and us with respect to the subject matter hereof, and supercede all prior agreements, discussions and understandings. No amendment of, supplement to or other change in the Pharmacy Provider Agreement shall be effective without the prior written consent of you and us, provided that we may supplement, amend or otherwise change these Provisions at any time and from time to time, to comply with or give effect to any change in any applicable law or regulation or the application or interpretation thereof or for any other purpose or reason, by giving you notice of such supplement, amendment or other change, or by posting the same on our website, or both. Any such supplement, amendment or other change shall be effective 30 days after such notice is given or such posting on our website is effected, unless within such 30-day period you give us notice of your non-acceptance of such supplement, amendment or other change and notice of termination of the term of the Pharmacy Provider Agreement pursuant to section G.1. Failing the giving by you of both such notices, such supplement, amendment or other change shall be deemed to have been accepted by you and the Pharmacy Provider Agreement shall be amended or supplemented effective on such 30th day, and as so amended or supplemented shall



thereafter bind you and us. We shall have the right to supplement, amend or otherwise change the Provider Manual at any time and from time to time, without notice to or consent from you, and you agree to act in accordance with the Provider Manual as it may be constituted from time to time.

3. Confidential Information.

You acknowledge that in the performance of the services to be provided under the Pharmacy Provider Agreement, you will have access to and gain knowledge of certain confidential information regarding us, including pricing and other financial matters, contractual arrangements (including these Provisions), pharmacy manuals, marketing strategies, customer lists and intellectual property. You shall not disclose or use any such confidential information other than for the purpose of providing the services to be provided by you under the Pharmacy Provider Agreement, and you shall promptly return to us, or at our option certify the destruction of, all such confidential information upon the termination of the term hereof.

4. Relationship.

The relationship between us and you is that of independent contractors, and nothing in the Pharmacy Provider Agreement, the Provider Manual or otherwise shall create or be deemed to create any agency, trusteeship, partnership, joint venture or other relationship between you and us.

5. Professional Judgment.

Nothing in the Pharmacy Provider Agreement (including these Provisions), the Provider Manual, any Benefit Plan or any response from us (on-line, by the Provider Help Desk or otherwise) in respect of a Claim submitted by you, or otherwise, shall be construed to require you to dispense any Medication or to provide any Advice to any Cardholder or other Person which, in your professional judgment, should not be dispensed or provided.

6. Waiver.

No waiver of any breach of any provision of the Pharmacy Provider Agreement shall be construed to constitute a waiver of any subsequent breach of the same or any other provision thereof.

7. Assignment.

The Pharmacy Provider Agreement may not be assigned, in whole or in part, by you but may be assigned by us in connection with a sale of our business in whole or in part.

8. Compliance with Law.

You and we will each comply with all applicable laws and regulations, including without limitation with respect to the protection of privacy and the confidentiality of personal health information.



9. **Time.**

Time shall be of the essence of the Pharmacy Provider Agreement.

10. **Enurement.**

The Pharmacy Provider Agreement shall enure to the benefit of and be binding upon you and us and our respective successors and permitted assigns.

I. **DEFINED TERMS**

In the Pharmacy Provider Agreement (as defined below), the following capitalized terms shall have the following respective meanings:

"**Advice**" means any professional advice or consultation provided by you to a Cardholder or any other person in connection with a particular Medication, disease state, course of treatment or otherwise;

"**Benefit Plan**" means any group benefit plan administered by us on behalf of a Plan Sponsor under the terms of which the cost of certain Medications, specified by a Formulary or otherwise, and in certain cases certain Advice, provided by you to a Cardholder is borne by such Plan Sponsor, subject to such Copayments and other limitations, exclusions and other terms as are specified therein;

"**Business Day**" means any day on which banks are open to the public for the transaction of business in Toronto, Ontario;

"**Cardholder**" means an individual and his or her eligible dependents to whom Covered Benefits are available pursuant to a Benefit Plan as evidenced by a NexgenRx Card issued to such individual;

"**Claim**" means any claim submitted by you to us for the payment of all or any portion of the cost of any Medication dispensed or Advice provided by you to a Cardholder;

"**Copayment**" means that portion of the total cost for a Covered Medication (including ingredient cost, markup and professional fee) or Covered Advice that a Cardholder is required to pay to you under the terms of that Cardholder's Benefit Plan and Section B.1(d) of the Provisions, including any amount designated as a "copayment" or a "deductible" under the terms of such Benefit Plan;

"**Covered Advice**" means any Advice provided by you to a Cardholder the cost of which is covered, in whole or in part, under the terms of such Cardholder's Benefit Plan;

"**Covered Benefits**" means Covered Medications and, where applicable, Covered Advice;

"**Covered Medications**" means any Medications provided by you to a Cardholder, the cost of which is covered, in whole or in part, under the terms of such Cardholder's Benefit Plan;



"CPhA Standard" means the standards approved by the Canadian Pharmaceutical Association for the submission of electronic claims;

"Formulary" means a list of Medications prepared by or on behalf of a Plan Sponsor and revised from time to time, the cost of which Medications are covered, in whole or in part, by such Plan Sponsor under its Benefit Plan;

"Medications" means any prescription drug or device prescribed by a duly licensed physician or other health professional, any non-prescription drug, medication, supply or device, or any herbal remedy, homeopathic remedy, vitamin, hormone or other like substance or therapy;

"NexgenRx Card" means the printed identification card issued by us to a Cardholder pursuant to, and so as to evidence such Cardholder's entitlement to Covered Benefits under, such Cardholder's Benefit Plan;

"Pharmacy Provider" means any duly licensed pharmacy in Canada which has entered into a Pharmacy Provider Agreement with us;

"Pharmacy Provider Agreement" means a written agreement so titled (of which these Provisions form a part) entered into by any duly licensed pharmacy in Canada with us pertaining to the provision of Covered Benefits to Cardholders and the submission to us of Claims in respect thereof;

"Pharmacy Provider Number" means, in the case of any particular Pharmacy Provider, that unique number assigned by us to that Pharmacy Provider in order to facilitate the receipt by us of Claims submitted by such Pharmacy Provider, the provision by us to such Pharmacy Provider of the results of our adjudication of such Claims under the terms of the relevant Benefit Plan, and any other communication between us and such Pharmacy Provider;

"Plan Sponsor" means, in respect of any particular Benefit Plan, any employer, third party administrator, insurer or other person having primary financial responsibility for the payment of Covered Benefits provided to Cardholders under such Benefit Plan;

"Provider Help Desk" means the facility, and the persons staffing such facility, made available by us to Pharmacy Providers to assist them in the submission to and adjudication by us of Claims submitted (whether on-line or otherwise) by such Pharmacy Providers, utilizing such telephone and fax lines and email addresses for such purpose as we may communicate to Pharmacy Providers from time to time;

"Provider Manual" means the Pharmacy Policy and Procedure Manual published and provided by us to Pharmacy Providers, as the same may be amended by us in our sole discretion from time to time, which sets forth our policies, procedures, practices and rules regarding the dispensing of Covered Medications and the providing of Covered Advice by Pharmacy Providers to Cardholders;

"Usual and Customary Professional Fee" means, in respect of any Pharmacy Provider, the usual and customary professional fee that such Pharmacy Provider



would charge a cash paying customer for the dispensing of any Covered Medication or the provision of any Covered Advice on the date on which such Covered Medication was dispensed or Covered Advice was provided (which in the case of the dispensing of any Covered Medication, and in the absence of any evidence to the contrary, will be presumed to be the usual and customary professional fee as filed by such Pharmacy Provider with us); and

"Usual and Customary Retail Price" means (i) in respect of any Covered Medication, the lowest retail price (including ingredient cost, markup and your Usual and Customary Professional Fee) which you will accept from any cash paying customer for such Covered Medication dispensed by you, in the quantity dispensed on the date it is dispensed, including any discounts or special promotions offered by you on such date, and (ii) in respect of any Covered Advice, the lowest professional fee which you will accept from any cash paying customer having the financial capacity to pay such fee for the provision of such Advice to such customer, given the nature of such Advice and the time involved in providing the same.