

Schedule 3 State Supplemental Rebate Calculation

This Schedule 3 to the SUPPLEMENTAL DRUG REBATE AGREEMENT provides as follows:

The State Supplemental Rebate amount per Unit (SRPU) is calculated for each NDC of a Supplemental Covered Product according to the following formula, as applicable:

- **WAC Based GNUP (Guaranteed Net Unit Price):** (SRPU) = WAC per Unit minus CMS Unit Rebate Amount minus Discount Per Unit (WAC is based on Quarter ending just prior to invoice date.) ; or
- **Alternative Calculation Type:** SRPU = as defined in Schedule 2

(SRPU) will be greater than or equal to zero.

State Supplemental Rebate amount due = State Supplemental Rebate amount per Unit times State Utilization*.

*New NDCs for Supplemental Covered Products will be automatically included in this agreement unless specifically excluded.

The “Discount Per Unit” is determined based on the following variables:

The product position (1 of 1, 1 of 2 etc.) of a Supplemental Covered Product will be determined as compared to the PDL status of the other products listed in Schedule 1. Manufacturer will pay State Supplemental Rebates on Supplemental Covered Products associated with their Product’s(s’) position held from the first day in which the PDL was in effect for the Participating State or Supplemental Covered Product was listed on the PDL as a preferred drug. In addition, should the number of Supplemental Covered Products change during the applicable quarter, for the purpose of invoicing, the preferred count shall be determined by the number of Supplemental Covered Products during the majority of the preferred period. By way of example; In 1st quarter, Supplemental Covered Products A and B are preferred and invoiced at the Discount Per Unit corresponding with the 1 of 2 position. In the 2nd quarter, Supplemental Covered Product C is added to the PDL during the first 30 days of the quarter. Upon invoicing, Supplemental Covered Products A, B and C will all be invoiced at the 1 of 3 position (Supplemental Covered Product A and B invoiced for 90 days and Supplemental Covered Product C invoiced for 60 days). Conversely, in 3rd quarter, Supplemental Covered Product C is removed from the PDL during the first 30 days of the quarter. Upon invoicing, Supplemental Covered Products A and B will be invoiced at the 1 of 2 position while Supplemental Covered Product C is invoiced at the 1 of 3 position (Supplemental Covered Product A and B invoiced for 90 days and Supplemental Covered Product C invoiced for 30 days).