

**PRIME VENDOR AGREEMENT**

This Prime Vendor Agreement ("Agreement") is made by and between Cardinal Health 110, LLC and Cardinal Health 112, LLC ("Cardinal Health" or "Contractor") and State of Idaho on behalf of itself and its subsidiaries, affiliates, related parties, and any other entities it owns, manages, or controls, whether now or hereafter existing, jointly and severally (collectively, "Buyer"), who hereby agree as follows:

1. **Term and Termination.** Subject to credit approval by Cardinal Health, the initial term of this Agreement will commence on the first day of the first month following full execution ("Effective Date") and will continue for one year. Thereafter, this Agreement will automatically renew for three (3) additional one (1)-year renewal terms unless either party provides written notice of non-renewal to the other party at least ninety (90) days prior to the end of the initial term or the then-current renewal term, as applicable. Either party may affect an early termination of this Agreement upon the occurrence of a material breach by the other party. The non-breaching party must give written notice to the breaching party of the nature and occurrence of such breach. If the breach is not cured by the expiration of sixty (60) days from the date of such notice, or if the breaching party has not made reasonable efforts to effect the cure if the breach cannot reasonably be cured within such sixty (60) day period, then the non-breaching party may provide written notice to the breaching party that this Agreement will be terminated in thirty (30) days following the expiration of such sixty (60) day period. Notwithstanding the foregoing, in the event of a payment default by Buyer, or based upon other credit considerations deemed relevant by Cardinal Health, Cardinal Health may immediately terminate this Agreement upon the provision of notice to Buyer.
2. **Purchase Requirement & Usage.** Buyer will designate Cardinal Health as its primary wholesale pharmaceutical supplier to all the pharmacies (340B pharmacy locations and non-340B pharmacy locations), clinics and/or other facilities to the extent applicable, owned, managed or operated by Buyer during the term of this Agreement (collectively, "Pharmacies" and individually, a "Pharmacy"), and Buyer will purchase from Cardinal Health at least ninety five percent (95.00%) of the prescription pharmaceuticals (branded and generic) ("Rx Products") and certain other inventory carried by Cardinal Health ("Non-Rx Products") (Rx Products and Non-Rx Products are collectively referred to as "Merchandise") required for each Pharmacy ("Primary Requirements") and available from Cardinal Health. Notwithstanding any other provision in the Agreement, Cardinal Health reserves the absolute right to determine what Merchandise it will carry. Buyer must provide accurate six (6) months' usage figures (including NDC numbers) for all items for each Pharmacy in compatible electronic (disk) format at least forty-five (45) days prior to participation under this Agreement by that Pharmacy. In addition, Buyer will provide usage information related to new and/or replacement items on an ongoing basis, as necessary. As used in this Agreement, the term "Net Purchases" will mean all purchases made and paid for by Buyer and/or the Pharmacies under the terms of this Agreement, net of all returns, credits, late charges, or other similar items, on an annual, quarterly, or monthly basis, as applicable. A current list of the Pharmacies is attached hereto as **Exhibit A**. Additional pharmacies may be added to Exhibit A from time to time subject to the prior approval of Cardinal Health and Buyer must seek Cardinal Health's approval to add such additional pharmacies.
3. **Generics.** Each non-340B Pharmacy must purchase at least ninety five percent (95.00%) of its generic Rx Product requirements through the Cardinal Health SOURCE<sup>SM</sup> Generics Program ("Source Program").
4. **Purchase Price.** Except as otherwise set forth in this Agreement, Buyer will pay a purchase price for all Merchandise purchased under this Agreement in an amount equal to Cardinal Health's Cost for such Merchandise, plus the percentage specified in the pricing matrix attached hereto as **Exhibit B ("Pricing Matrix")**, plus all applicable taxes or other assessments on such purchases. For purposes of this Agreement, the term "Cardinal Health's Cost" will mean the manufacturer's published wholesale acquisition cost for the Merchandise, adjusted for any then applicable Manufacturer Contract (as defined below) or other contract pricing, at the time Buyer's order is submitted to Cardinal Health. Notwithstanding any other provision in this Agreement, the purchase price for certain Merchandise (sometimes referred to herein as "**Specially Priced Merchandise**"), including, but not limited to, the following items, will not be based upon Cardinal Health's Cost-plus pricing described above: multisource pharmaceuticals; Source Program Merchandise; private label products; medical/surgical supplies; home health care/durable medical equipment; contrast media; drop-shipped Merchandise; Merchandise acquired from vendors not offering customary cash discount or other terms; branded Rx Products and biosimilar Rx Products introduced to the market after the Effective Date of this Agreement; vaccines; and other slow moving, specially-handled Merchandise; and non-pharmaceutical Merchandise.
5. **Payment Terms.** Buyer's initial payment terms will be as follows: Net 30. All payments due from Buyer to Cardinal Health for Merchandise delivered and services rendered by Cardinal Health under this Agreement will be made to the applicable servicing division specified in Cardinal Health's invoice (or as otherwise specified by Cardinal Health) by electronic funds transfer or other method acceptable to Cardinal Health, accompanied by EDI 820 or other remittance advice acceptable to Cardinal Health, so as to provide Cardinal Health with good funds by the due date. Buyer acknowledges that failure to include remittance advice may cause delay in

application of funds. Deductions for Merchandise returns, or shipping discrepancies (quantity and price) may not be taken until a valid credit memo is issued by Cardinal Health. Cardinal Health retains the right to adjust Buyer's payment terms, place Buyer on C.O.D. status, and/or refuse orders from Buyer if Cardinal Health has not received payment when due for Merchandise delivered or services provided to Buyer, or based upon credit considerations deemed relevant by Cardinal Health. Buyer hereby grants Cardinal Health, a security interest in the Merchandise. All obligations hereunder will be joint and several obligations of State of Idaho and each of its subsidiaries, affiliates and related parties and any other entities it owns, manages, or controls, whether now or hereafter existing. State of Idaho and each of its subsidiaries, affiliates, related parties, and any other entities that it owns, manages, or controls, whether now or hereafter existing, hereby unconditional guaranty, jointly and severally, the payment and performance of all Buyer obligations hereunder. Without limiting Cardinal Health's rights under law or in equity, Cardinal Health, and its affiliates, parent, or related entities, collectively or individually, may exercise a right of set-off against any and all amounts due Buyer. For purposes of this Section, Cardinal Health, its affiliates, parent, or related entities will be deemed to be a single creditor. Buyer may from time to time (but not more often than once per calendar quarter) request that its payment terms be changed as to future Merchandise purchases under this Agreement, subject to Cardinal Health's prior written consent. In such event, Buyer acknowledges and agrees that Buyer's purchase price may be adjusted by Cardinal Health to reflect Buyer's new payment terms and credit considerations deemed relevant to Cardinal Health. Buyer will provide Cardinal Health with (i) copies of its most recently prepared financial statements (unless Buyer's financial statements are publicly available), (ii) company-prepared interim financial statements, (iii) tax returns and/or (iv) such other financial information as Cardinal Health may reasonably request.

6. Service Charge. Buyer will pay a service charge calculated at the rate of one point five percent (1.50%) per month (or the maximum rate allowed by law, if such rate is less than one point five percent (1.50%) per month) on any amount not paid by Buyer to Cardinal Health when due under the terms of this Agreement from the first day of delinquency until such amount is paid in full, along with reasonable attorney fees associated with any such delinquency. Failure or delay by Cardinal Health to bill Buyer for any such service charge will not waive Cardinal Health's right to receive the same.

7. Ordering. To qualify for the pricing set forth in the Pricing Matrix, Buyer must electronically transmit all orders (excluding Schedule II and emergency orders) to Cardinal Health via Order Express, or such other electronic order entry system as Cardinal Health may approve from time to time. Cardinal Health will provide Buyer with access to such electronic ordering system at no additional charge; provided, however, Buyer must supply all hardware required to access such electronic ordering system, all required Internet access and any required interfaces or other network enhancements, all at Buyer's expense. Buyer may not use such electronic ordering system for any purpose unrelated to this Agreement. If electronic order entry is temporarily interrupted for reasons beyond the control of Buyer or Cardinal Health, Buyer may place orders manually and both parties will use reasonable efforts to fix the problem. All orders for Schedule II controlled substances must be submitted to Cardinal Health via Cardinal Health's electronic Controlled Substance Ordering System ("CSOS"). If Schedule II controlled substance orders are not submitted via CSOS, Cardinal Health reserves the right to increase Buyer's purchase price by five basis points (0.05%). Schedule II orders will be delivered with Buyer's next scheduled delivery following Cardinal Health's receipt of the CSOS order. Regardless of any other terms of this Agreement, no Schedule II orders will be delivered other than in compliance with DEA regulations.

8. Delivery. All Merchandise will be shipped F.O.B. Destination in accordance with the general delivery schedules as are established from time to time by the applicable Cardinal Health servicing division (exclusive of holidays, etc.). Excluding Pharmacies located outside of the contiguous United States or other Pharmacies mutually agreed upon by the parties from time to time, each Pharmacy will be eligible to receive the number of deliveries as set forth on Exhibit A at no additional charge.

Buyer will incur a separate per delivery charge for additional scheduled deliveries or deliveries to multiple locations or departments within a Pharmacy (i.e., materials management, dietary department, etc.) and non-standard or custom deliveries.

Notwithstanding any other provision in this Agreement, all deliveries will be subject to the Fuel Surcharge and Small Volume Order Fee, each as defined below.

Cardinal Health reserves the right to charge a Fuel Surcharge ("**Fuel Surcharge**") for each delivery stop made to a Pharmacy if the national average price per gallon of U.S. regular gasoline, as published by the U.S. Energy Information Administration at [https://www.eia.gov/dnav/pet/PET\\_PRI\\_GND\\_DCUS\\_NUS\\_M.htm](https://www.eia.gov/dnav/pet/PET_PRI_GND_DCUS_NUS_M.htm) ("**Average Price Per Gallon**"), is at least Three Dollars (\$3.00) ("**Threshold**"). The amount of the Fuel Surcharge begins at Fifty Cents (\$0.50) per stop when the Average Price Per Gallon reaches the Threshold and increases incrementally by Fifty Cents (\$0.50) per stop for the first Twenty-Five Cents (\$0.25) increase in the Average Price Per Gallon above the Threshold, and subsequently, increases by Seventy-Five Cents (\$0.75) per stop for each Twenty-Five Cents (\$0.25) increase in the Average Price Per Gallon thereafter. For example, if the Average Price per Gallon is between Three Dollars and Fifty Cents (\$3.500) and Three Dollars and Seventy-Four Cents and Nine Tenths (\$3.749), then the Fuel Surcharge will be One Dollar

and Seventy-Five Cents (\$1.75) per stop. The Average Price Per Gallon will be evaluated on a monthly basis, and any adjustments to the Fuel Surcharge will be applicable on the first day of each calendar month. The Fuel Surcharge will be billed on invoice, if applicable. (CIN #5767025)

Cardinal Health will assess a fee of (i) Thirty-Five Dollars (\$35.00) for Monday-Friday deliveries, and Eighty Dollars (\$80.00) for Saturday deliveries ("**Small Volume Order Fee**") for each scheduled delivery of Merchandise (excluding auto-shipments, drop-shipped Merchandise, and items purchased through SPD) (as defined below)) with an aggregate order value of less than One Hundred Dollars (\$100.00). Cardinal Health reserves the right to adjust the Small Volume Order Fee by no more than ten percent (10.00%) not more than once per calendar year upon written notice to Buyer. For each delivery, Cardinal Health will aggregate the value of all orders (excluding auto-shipments, drop-shipped Merchandise, and items purchased through SPD) for the applicable delivery location within the Pharmacy to determine the gross order value for such delivery location; if this value is less than One Hundred Dollars (\$100.00), an applicable Small Volume Order Fee will be added to the invoice.

9. **Manufacturer Contracts.** Cardinal Health will recognize and administer mutually agreed upon manufacturer pricing contracts between Buyer and a manufacturer (collectively, "**Manufacturer Contracts**"): (i) subject to their continued validity in accordance with applicable laws, (ii) provided such manufacturer is a vendor in good standing with Cardinal Health, and (iii) subject to such credit considerations concerning the applicable manufacturers as Cardinal Health may consider appropriate. However, if manufacturers' chargebacks for contract items submitted by Cardinal Health are disallowed, uncollectable, or unreconcilable, then the applicable charge will be billed back to Buyer. Buyer will notify Cardinal Health of all applicable pricing information included in the Manufacturer Contracts, including renewals, replacements, or terminations of Manufacturer Contracts, not less than forty-five (45) days prior to the effective date of such Manufacturer Contract, renewal, replacement, or termination.

10. **Returns.** In general, Cardinal Health will accept Merchandise for return from Buyer in accordance with the Cardinal Health Returned Goods Policy in effect at the time of the return. Buyer must execute Cardinal Health's standard Returned Goods Authorization Ongoing Assurance (in the form attached hereto as Exhibit B) prior to returning any products to Cardinal Health.

11. **Custom Inventory.** If Cardinal Health stocks inventory under this Agreement at Buyer's request that Cardinal Health would not otherwise stock ("**Custom Inventory**"), Buyer agrees that, before substituting other inventory in place of such Custom Inventory, and/or upon termination or expiration of this Agreement for any reason, Buyer will purchase the remaining Custom Inventory under the terms of this Agreement until it is depleted.

12. **Own Use.** All purchases under this Agreement will be for Buyer's "own use" as that term is defined in judicial or legislative interpretation and not for resale to anyone other than the end user. Cardinal Health may terminate this Agreement immediately in the event it reasonably determines that Buyer is in breach of this paragraph.

13. **Licensure.** Buyer represents, warrants, and certifies to Cardinal Health that it and each of Buyer's Pharmacies has all required governmental licenses, permits and approvals required to purchase, use and/or store the Rx Products purchased from Cardinal Health under this Agreement. Prior to purchasing Rx Products from Cardinal Health hereunder, and at all times during the term of this Agreement, Buyer will provide Cardinal Health with copies of all such licenses and any renewals, revocations, changes, or notices related thereto.

14. **Taxes.** Buyer will pay when due any sales, use, excise, gross receipts, or value-added taxes, or other federal, state, or local taxes or other surcharges or assessments (other than any tax based on the net income of Cardinal Health or imposed upon inventory held by Cardinal Health in its warehouses) that Cardinal Health is at any time obligated to pay or collect based on, or in any way levied on, the sale of Merchandise under this Agreement, or the Merchandise or any services related thereto. In addition, Buyer will be obligated to pay all interest or penalties assessed by reason of its failure to comply with its obligations under this Agreement. If Cardinal Health pays any amounts which Buyer is obligated to pay under this Section, then Buyer will promptly reimburse Cardinal Health in an amount equal to the amount so paid by Cardinal Health. Notwithstanding the foregoing, to the extent that Buyer is a tax-exempt entity, Buyer will provide Distributor with a properly executed exemption certificate. Should Buyer's tax status change, Buyer will notify Cardinal Health in writing of such change.

15. **Compliance Agreement.**

15.1. Buyer represents and warrants that Buyer:

- i. will abide by all applicable laws, rules, regulations, ordinances, and guidance of the federal Drug Enforcement Administration (“DEA”), the states into which it dispenses or sells controlled substances and/or listed chemicals, and the states in which it is licensed, including, without limitation, all of the foregoing concerning the purchase, sale, dispensation, and distribution of controlled substances;
- ii. has documented policies and procedures governing the exercise of its corresponding responsibility to maintain effective controls against the diversion of controlled substances and listed chemicals; and
- iii. will not dispense or sell controlled substances and/or listed chemicals if it suspects that a prescription or drug order is not issued for a legitimate medical purpose.

15.2. Buyer acknowledges that Cardinal Health has a controlled substance monitoring program (“CSMP”), and Buyer understands and acknowledges that a condition precedent to receiving any controlled substance from Cardinal Health is approval by CSMP personnel.

15.3. Buyer represents and warrants that Buyer will fully and unconditionally cooperate with any request by Cardinal Health to Buyer for data or information that Cardinal Health deems, in its sole discretion, is helpful for its CSMP, including, without limitation, the execution of any agreements necessary to facilitate the transfer of any requested data or information from Buyer to Cardinal Health. Buyer’s unconditional cooperation includes, without limitation: providing accurate information and data in response to Cardinal Health’s requests, allowing Cardinal Health to conduct site visits at Buyer’s pharmacy locations, and performance of audits of Buyer’s books and record. Buyer expressly waives all rights to contest, in any manner, that: (a) any information or data requested by Cardinal Health is necessary, helpful, reasonable, or appropriate with respect to Cardinal Health’s operation of its CSMP and (b) any actions requested by Cardinal Health of Buyer are helpful, reasonable, or appropriate with respect to Cardinal Health’s operation of its CSMP.

15.4. Buyer represents and warrants that any information or data provided by Buyer to Cardinal Health in connection with the operation of Cardinal Health’s CSMP will be truthful and accurate, and Buyer acknowledges that Cardinal Health will rely on such information and data.

15.5. Notwithstanding any other provision in this or any other agreement between the parties, Buyer agrees that Cardinal Health has the unfettered right to immediately suspend, terminate, or limit the distribution of controlled substances, listed chemicals, and other products monitored by Cardinal Health to Buyer at any time for any reason. If Cardinal Health suspends, terminates, or limits the distribution of controlled substances, listed chemicals, or other products monitored by Cardinal Health to Buyer, Cardinal Health may suspend, terminate, or limit the distribution of any other Merchandise to Buyer. Buyer further acknowledges and agrees that Cardinal Health has the unfettered right to determine the amount and type of information and data Cardinal Health needs to suspend, terminate, or limit the distribution of controlled substances, listed chemicals, and other products monitored by Cardinal Health to Buyer.

15.6. Buyer hereby expressly waives all rights to contest, in any manner, any action taken by Cardinal Health to investigate, suspend or terminate the sale of controlled substances, listed chemicals, or other products monitored by Cardinal Health.

15.7. In the event Buyer fails to comply with the terms in this section, including, without limitation, by providing false or inaccurate information, Cardinal Health may charge Buyer for the costs incurred by Cardinal Health related to Buyer’s non-compliance, including, but not limited to, costs associated with the provision of additional audits, site visits, or other activities in connection with Cardinal Health’s review of Buyer. If Cardinal Health determines that it needs to conduct enhanced CSMP oversight of Buyer, then Cardinal Health may assess additional fees and surcharges to Buyer.

15.8. Buyer represents and warrants that Buyer:

- i. will immediately notify Cardinal Health if it becomes aware that Buyer or any of its owners, employees, or independent contractors is or has been the subject of an investigation or disciplinary action by the Drug Enforcement Administration, a state Board of Pharmacy, or any other governmental entity related to the dispensing, ordering, storage, handling, or prescribing of controlled substances or any other Merchandise. This will include, but not be limited to, notification of any proposed or final suspension, probation, termination, fine, consent order, agreement, or citation regarding Buyer’s activities including the licensure or registration of Buyer or any of its owners, employees, or independent contractors. Any such notice will be sent to: [gmb-CardinalHealth-CSMP-Inquiries@cardinalhealth.com](mailto:gmb-CardinalHealth-CSMP-Inquiries@cardinalhealth.com)



ii. will, upon Cardinal Health's request, provide a written certification to Cardinal Health that: (i) it has been and will continue to be in compliance with notification obligations in this Section and the terms of this Agreement, (ii) Buyer reviews the licensure status of each of the licensed employees working for Buyer on at least an annual basis, and (iii) if Buyer becomes aware that a licensed employee working for Buyer has been, in the five (5) years preceding the date of the certification, the subject of any professional disciplinary action regarding the dispensing or handling of controlled substances or law enforcement action related to controlled substance diversion, that Buyer has: (A) taken appropriate employment action against any such licensed employee, and (B) disclosed to Cardinal Health such regulatory or law enforcement action.

15.9. Cardinal Health has the unfettered right to immediately suspend, terminate, or limit the distribution of any Merchandise to Buyer if Cardinal Health learns that Buyer was subjected to discipline or the target of any investigation by the Drug Enforcement Administration, a state Board of Pharmacy, or any other a regulatory entity focused on healthcare fraud related issues.

16. Warranty Disclaimer and Limitation of Liability. THERE ARE NO EXPRESSED OR IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. CARDINAL HEALTH WILL NOT BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES.

Notwithstanding the foregoing, the exclusions and limitations in this section 16 shall not apply to: (a) damages related to claims arising from the gross negligence or willful misconduct of Cardinal Health, its employees, its subcontractors, or its agents in the performance of services under this Agreement; (b) Cardinal Health's indemnification obligations set forth in this Agreement; (c) the insurance coverage required by this Agreement.

Cardinal Health will transfer to Buyer (on a non-exclusive basis) any representations and warranties made by the manufacturers of the Merchandise to the extent that such representations and warranties are assignable by Cardinal Health and will cooperate with all reasonable requests made by Buyer to enforce such representations and warranties against such manufacturers. Notwithstanding anything to the contrary herein, Cardinal Health reserves its own rights under such representations and warranties made by such manufacturers and the remedies available to it for any breach of such representations and warranties by the manufacturers.

17. Force Majeure. Cardinal Health's and Buyer's obligations under this Agreement (other than payment obligations) will be excused if and to the extent that any delay or failure to perform such obligations is due to fire or other casualty, product or material shortages, strikes or labor disputes, transportation delays, change in business conditions (other than insignificant changes), manufacturer out-of-stock or delivery disruptions, acts of God, seasonal supply disruptions, or other causes beyond the reasonable control of Cardinal Health or Buyer. During the period of any such delay or failure, Buyer may purchase the Primary Requirements for the affected Pharmacies from others, but will recommence purchasing from Cardinal Health upon cessation of such delay or failure.

18. Discounts and Rebates. If and to the extent any discount, credit, rebate or other purchase price reduction is paid or applied by Cardinal Health with respect to the Merchandise purchased under this Agreement, such discount, credit, rebate or other purchase price reduction will constitute a "discount or other reduction in price," as such terms are defined under the Medicare/Medicaid Anti-Kickback Statute (42 U.S.C. § 1320a 7b(b)(3)(A) and the "safe harbor" regulations regarding discounts or other reductions in price set forth in 42 C.F.R. § 1001.952(h)) on the applicable Merchandise purchased by Buyer under the terms of this Agreement. Buyer may have an obligation to accurately report, under any state or federal program which provides cost or charge based reimbursement for the products or services covered by this Agreement, or as otherwise requested or required by any governmental agency, the net cost actually paid by Buyer.

19. Buyer's Authority to Contract. State of Idaho represents and warrants to Cardinal Health that it has the power and authority to enter into this Agreement on behalf of, and in the name of, each of its subsidiaries, affiliates, and related parties, and it covenants that it will obtain all necessary authorizations to act under this Agreement on behalf of, and in the name of, any entity it owns, manages or controls, whether now or hereafter existing. Buyer acknowledges and agrees that Cardinal Health is relying on the representations, warranties and covenants contained herein to enter into this Agreement and perform its obligations hereunder.

20. Miscellaneous. Each party will comply with all laws, rules, and regulations applicable to its obligations under this Agreement. This Agreement and its exhibits constitute the entire agreement and understanding of the parties with respect to the subject matter hereof, and this Agreement may not be amended except by a writing signed by each party. Neither party may disclose the terms and conditions of this Agreement to a third party without prior written consent of the other party, except as required by law or as necessary to perform its obligations under this Agreement. This Agreement does not create any employment, agency, franchise, joint venture, partnership or other similar legal relationship between Buyer and Cardinal Health. Cardinal Health will generally provide EDI transactions at no

additional charge (i.e., inbound EDI 850 – Purchase Order; outbound EDI 855 – Purchase Order Acknowledgement; outbound EDI 856 – Advance Ship Notice; outbound EDI 810 – Invoice; and outbound EDI 832 – Price Catalog). Buyer acknowledges and agrees that Cardinal Health will not pay any fees to Buyer, or any third party related to any EDI or other electronic transaction. Cardinal Health may direct any notices, inquiries, question, requests for information or other correspondence under this Agreement via letter or via email, as determined in Cardinal Health’s discretion, to the address listed in Buyer’s signature line below, or to the most recent address provided by Buyer to Cardinal Health.

21. Eligibility. All state governmental entities, within the State of Idaho and public agencies (as defined by Idaho Code, Section 67-2327) are authorized to purchase products and services under the terms and conditions of the Agreement. These public agencies include any city or political subdivision of the State of Idaho, including, but not limited to counties; school districts; highway districts; port authorities; instrumentalities of counties, cities, or any political subdivision created under the laws of the State of Idaho; and public schools and institutions of higher education. Each entity that places an order under the Agreement will be treated as if it is an individual customer. Except to the extent modified by the Agreement, each entity will be responsible to follow the terms and conditions of the Agreement and will be responsible for its own charges, fees, and liabilities, and will have the same rights to any indemnity or to recover any costs allowed in the Agreement for its individual purchases.

22. Fiscal Necessity and Non-Appropriation. This Agreement shall in no way bind or obligate Buyer or the State of Idaho beyond the terms of a specific appropriation or grant of funds from any private or public funding entity, including but not limited to the State of Idaho’s Legislature or the United States government. Buyer reserves the right in its sole judgment to terminate this Agreement in whole or in part under any of the following conditions: the funding entity does not appropriate or grant sufficient funds for payment of this Agreement; the funding entity reduces, cancels, withdraws, eliminates, or requires return of any amount of the funds necessary for this Agreement; or Buyer is required by law to discontinue or make a material alteration to the program to which this Agreement is applicable. Immediately upon Buyer’s written notice to Cardinal Health of termination for fiscal necessity, all rights and liabilities created by the Agreement shall terminate as of the effective date of the notice, except for terms denoted herein as surviving termination. Buyer shall not be liable for any general, special, incidental, consequential, or other damages, penalties, expenses, or liabilities resulting from such termination.. Notwithstanding anything to the contrary that may be contained herein, Buyer shall be required to pay for all Merchandise delivered to Buyer.

23. Idaho Statutory Certifications. Cardinal Health certifies the matters set forth below in this Section. Cardinal Health shall promptly notify Buyer upon any such certification becoming untrue or incorrect during the term of this Agreement. Buyer may immediately terminate the Agreement at its convenience or for cause upon receipt of information that Cardinal Health is in violation of any term in this section. Pursuant to Idaho Code §§ 18-8703, 67-2346, 67-2347A, and 67-2359, Cardinal Health certifies as follows (the certifications in subsections 2 and 3 only apply if payments under the Agreement exceed one hundred thousand dollars (\$100,000) and Cardinal Health employs ten or more persons):

- (1) Cardinal Health is not and will not for the duration of the Agreement be an entity that provides abortions or an affiliate of an entity that provides abortions as the terms “abortion” and “affiliate” are defined in Idaho Code § 18-8702;
- (2) Cardinal Health is not currently engaged in, and will not for the duration of the Agreement engage in, a boycott of goods or services from Israel or territories under its control;
- (3) Cardinal Health is not currently engaged in, and will not for the duration of the Agreement engage in, a boycott of any individual or company because the individual or company (a) engages in or supports the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, minerals, hydroelectric power, nuclear energy, or agriculture, or (b) engages in or supports the manufacture, distribution, sale, or use of firearms, as defined in Idaho Code § 18-3302(2)(d);
- (4) Cardinal Health is not currently owned or operated by the government of China and will not for the duration of the Agreement be owned or operated by the government of China; and
- (5) Cardinal Health will not assign or seek to assign the Agreement to any person or entity who operates in violation of any such statutes.

24. Public Records. Pursuant to the Idaho Public Records Act, Idaho Code section 74-101 et seq., records, including documents in all forms, received from Cardinal Health may be open to public inspection and copying unless exempt from disclosure. Cardinal Health shall use best efforts to clearly designate individual documents as “exempt” on each page of the record containing exempt portions and shall indicate the basis in the Idaho Public Records Act for such exemption. Buyer will not accept the marking of an entire record as exempt. In addition, Buyer will not accept a legend or statement on one (1) page that all, or substantially all, of the record is exempt from disclosure. Buyer represents and agrees that, prior to any disclosure of information pursuant to a request under the Act, it will (a)

notify Cardinal Health of such request and use best efforts to make such notice sufficiently timely so that Cardinal Health may either seek an appropriate protective order or other remedy, or waive compliance by Buyer with the terms of this Agreement; and (b) disclose only such information as is required under the Act.

25. **Sovereign Immunity.** Nothing contained herein shall be deemed to constitute a waiver of the State's sovereign immunity, which immunity is hereby expressly reserved.

26. **Indemnification.** Notwithstanding any provision of this Agreement to the contrary, the State does not have authority to, and does not agree to, indemnify Cardinal Health or any other party except as expressly authorized by the Idaho Legislature or subject to appropriation pursuant to Section 67-9213, Idaho Code, and Section 59-1016, Idaho Code.

Cardinal Health agrees to indemnify the State of Idaho, as well as Buyer and its successors and assigns, from and against any third-party losses, damages, costs, or expenses, including reasonable attorneys' fees, arising out of Cardinal Health's breach of any representation or warranty of Cardinal Health contained in this Agreement or Cardinal Health's negligent acts or omissions or willful misconduct in the performance of services under this Agreement.

28. **Insurance Requirements.** Prior to starting work under the contract (or as otherwise designated by the Purchasing Activity), Cardinal Health must provide certificates of insurance required herein and will maintain the insurance during the life of the Contract. There are no provisions for exceptions to this requirement. Failure to provide the certificates of insurance within the requisite time period may be cause for cancellation of the contract. Cardinal Health shall carry liability and property damage insurance that will protect it and the Buyer from claims for damages for bodily injury, including accidental death, as well as for claims for property damages, which may arise from operations under the Contract whether such operations be by themselves or by anyone directly or indirectly employed by either of them. Cardinal Health shall not commence work under the Contract until it obtains all insurance required under this provision and furnishes a certificate or other form showing proof of current coverage to the Buyer. All insurance certificates must be signed copies. After work commences, Cardinal Health will keep in force all required insurance until the Contract is terminated.

**Commercial General and Umbrella Liability Insurance.** Cardinal Health shall maintain Commercial General Liability (CGL) and, if necessary, Commercial Umbrella insurance with a limit of not less than \$1,000,000 each occurrence. If such CGL insurance contains a general aggregate limit, it shall apply separately to this Contract.

CGL insurance shall be written on ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

**Workers Compensation Insurance and Employer's Liability.** Cardinal Health shall maintain workers compensation and employer's liability. The employer's liability shall have limits not less than \$1,000,000 each accident for bodily insurance by accident, \$1,000,000 disease policy limit, and \$1,000,000 disease, each employee.

Cardinal Health must provide either a certificate of workers compensation insurance issued by a surety licensed to write workers compensation insurance in the Buyer, as evidence that the Cardinal Health has in effect a current Idaho workers compensation insurance policy, or an extraterritorial certificate approved by the Idaho Industrial Commission from a Buyer that has a current reciprocity agreement with the Idaho Industrial Commission.

**Professional Liability Insurance.** Cardinal Health shall maintain professional liability insurance with minimum limit of \$3,000,000 per claim. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Buyer.

**Products Liability Insurance.** Cardinal Health shall maintain products and completed operations liability insurance with minimum limit of \$1,000,000 per occurrence. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Buyer.

**Buyer as Additional Insured:** The CGL insurance coverage required for performance of the Contract shall include the Buyer, the (agency) and its divisions, officers and employees as additional insured, but only with respect to the Cardinal Health's activities to be performed under this Contract.

The Cardinal Health must provide proof of the Buyer, the (agency) and its divisions, officers and employees being additional insured by providing endorsements to the CGL insurance policies showing the Buyer, the (agency) and its divisions, officers and employees as additional insured. The endorsements must also show the policy numbers and the policy effective dates.

If a CGL insurance policy provides for automatically endorsing additional insured when required by contract, then, in that case, the Cardinal Health must provide proof of the Buyer, the (agency) and its divisions, officers and employees being additional insured by providing copies of the policy pages that clearly identify the blanket endorsement.

**Notice of Cancellation or Change:** Cardinal Health shall ensure that should any of the above described policies be cancelled before the expiration date thereof, or if there is a material change, potential exhaustion of aggregate limits or intent not to renew insurance coverage(s), that written notice will be delivered to the Division of Purchasing (if the Contract was issued by the Division) or to the Purchasing Activity (contracting Buyer agency) in accordance with the policy provisions.

Cardinal Health shall request that all policies of insurance are endorsed to read that any failure to comply with the reporting provisions of this insurance, except for the potential exhaustion of aggregate limits, shall not affect the coverage(s) provided to the Buyer, and its divisions, officers and employees.

**Acceptable Insurers and Deductibles:** Insurance coverage required under the Contract shall be obtained from insurers rated A-VII or better in the latest Bests Rating Guide and in good standing and authorized to transact business in Idaho. The Cardinal Health shall be financially responsible for all deductibles, self-insured retention's and/or self-insurance included hereunder. The coverage provided by such policy will be primary to any coverage of the Buyer on or related to the contract and shall provide that the insurance afforded applies separately to each insured against whom a claim is made, except with respect to the limitation of liability. The parties hereby acknowledge and agree that Cardinal Health may self-insure and self-administer all or any portion of the required insurance, and to the extent that Cardinal Health does self-insure, such insurance will not be deemed to exceed the scope of coverage and/or limits that would have been provided in an actual policy of insurance that satisfies the insurance requirements set forth in this Section 28. Further, no insurance coverage maintained by Cardinal Health, whether self-insurance or otherwise, will be construed to expand any indemnification obligations that may be contained in this Agreement.

**Waiver of Subrogation:** All policies shall contain waivers of subrogation. Cardinal Health waives all rights against the Buyer and its officers, employees, and agents for recovery of damages to the extent these damages are covered by the required policies. Policies may contain deductibles but such deductibles will not be deducted from any damages due to the Buyer.

**Certificate Holder:**

State of Idaho  
Department of Administration  
650 W. State Street – Room 100  
Boise, ID 83702

29. Governing Law, Venue, and Disputes. Notwithstanding any provision of the Agreement to the contrary, the Agreement shall be governed by and construed under the laws of the State of Idaho, without regard to any Idaho conflict of law principles that would cause the application of the laws of any jurisdiction other than the State of Idaho, and the parties hereto consent to the jurisdiction of the state courts of Ada County in the State of Idaho in the event of any dispute with respect to the Agreement.

30. Assignment. Neither party may assign its rights or obligations under this Agreement without the written consent of the other party. Contractor recognizes that State is subject to Idaho Code section 67-1027. Notwithstanding any provision of the Agreement to the contrary, State shall not be required to recognize an assignment or to pay an assignee until an assignment is approved by the State Board of Examiners.



31. No Personal Liability. In no event shall any official, officer, employee or agent of the State or of Buyer be personally liable or responsible for any representation, statement, covenant, warranty, or obligation contained in, or made in connection with, this Agreement, whether express or implied.

32. Idaho Administrative Fee and Quarterly Usage Report: This agreement is subject to an Administrative Fee of one and one-quarter percent (1.25%), based on orders placed against the agreement, as follows:

The prices to be paid by the State must be inclusive of a one and one-quarter percent (1.25%) Administrative Fee. On a quarterly basis, Contractor must remit to **State of Idaho, Attn: Division of Purchasing, PO Box 83720, Boise, Idaho 83720-0075** an amount equal to one and one-quarter percent (1.25%) of Contractor's net (sales minus credits) quarterly PA sales.

Contractor must furnish detailed usage reports as designated by the Participating Entity. The Contractor must also submit a summary quarterly report of purchases made from the PA to [purchasing@adm.idaho.gov](mailto:purchasing@adm.idaho.gov), utilizing the PADD Summary Usage Report Form available for download at <https://purchasing.idaho.gov/information-for-vendors/>.

*For example: if the total of Contractor's net sales to the Purchasing Entity for one quarter = \$10,000, Contractor would remit  $\$10,000 \times 0.0125 = \$125$  to the Division of Purchasing for what that quarter, along with the required quarterly usage report*

Reporting Timeline (Fiscal Year Quarters):      Fee and Report Due:

1st Quarter:	July 1 – September 30	October 31st
2nd Quarter:	October 1 – December 31	January 31st
3rd Quarter:	January 1 – March 31	April 30th
4th Quarter:	April 1 – June 30	July 31st

Refund of Administrative Fee: In the event that this agreement is cancelled by the State through no fault of the Contractor, or if item(s) are returned by the State through no fault, act, or omission of the Contractor after the sale of any such item(s) to the State, the State will refund the Contractor any Administrative Fees remitted. Administrative Fees will not be refunded or returned when an item is rejected or returned, or declined, or the State cancelled by the State due to the Contractor's failure to perform or comply with specifications or requirements of this Agreement.

32. Miscellaneous. The terms of this Agreement shall not be construed to:

Limit the time in which the state of Idaho, its agencies, or political subdivisions of the State of Idaho may bring a legal claim to a period shorter than that provided in Idaho law;

Impose a payment obligation, including a rate of interest for late payments, less favorable than the obligations set forth in Section 67-2302, Idaho Code; or

Require the state of Idaho, its agencies, or political subdivisions of the state of Idaho to accept arbitration or to waive right to a jury trial.

[Signature Page Follows]

State of Idaho  
on behalf of itself and its subsidiaries, affiliates, related  
parties and any other entities or facilities it owns,  
manages, or controls, whether now or hereafter existing  
650 W State St STE 100  
Boise, ID 83702

Signature: 

Printed: Mike Gwinn

Email: [Mike.Gwinn@adm.idaho.gov](mailto:Mike.Gwinn@adm.idaho.gov)

Title: Deputy Administrator, Division of Purchasing

Date:

12/31/2025

**Cardinal Health 110, LLC**  
**Cardinal Health 112, LLC**

7000 Cardinal Place  
Dublin, OH 43017

Signature: 

[Wendy Sease \(Dec 31, 2025 14:15:38 CST\)](#)

Printed: Wendy Sease

Title: VP, LTC-State Government-CHC

Date:

12/31/2025