

REBATE AGREEMENT

THIS REBATE AGREEMENT (the "Agreement"), is made by and between Delaware Health and Social Services, Division of Medicaid and Medical Assistance with a principal place of business at 1901 N. DuPont Highway, Lewis Building, New Castle, DE 19720 ("Delaware" or "DELAWARE"), and Abbott Diabetes Care Sales Corporation, with a principal place of business at 1420 Harbor Bay Parkway, Suite 290, Alameda, CA 94502 ("ADC" or "Abbott"). This Agreement shall become binding once signed by an authorized representative of both DELAWARE and ADC ("Effective Date").

WITNESSETH:

WHEREAS, ADC is engaged in the business of manufacturing and marketing diabetes management products and providing services related thereto;

WHEREAS, the parties desire to establish arrangements relating to the acquisition of Products from Participating Pharmacies by Members, which arrangements include conditional pricing and rebate commitments by ADC and usage commitments by DELAWARE, all in accordance with the provisions of this Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein, and intending to be legally bound hereby, ADC and DELAWARE agree as follows:

Article 1 - Definitions

1.1 "Competing Products" shall mean diabetes management products that are manufactured by a company other than ADC and that are similar to or competitive with the Products.

1.2 "Formulary" shall mean a document, listing various pharmaceutical and other pharmacy products (to include diabetes management products), which is provided by DELAWARE to Participating Pharmacies, Participating Physicians, other health care providers and/or Members for the purpose of guiding the prescribing, dispensing and acquisition of pharmacy products.

1.3 "Exclusive Formulary Status" shall mean a Formulary status under which, for blood glucose monitoring meters and strips and lancets, the following conditions apply: (i) the only products on Delaware's closed formulary are ADC Products; and (ii) all Competing Products are subject to an NDC lock, unless a medical exception for coverage is obtained.

1.4 "Health Plan" shall mean any health care plan or program for Delaware Members/recipients in programs administered by DELAWARE.

1.5 "Member" shall mean any individual who is eligible under a Fee for Service pharmacy benefit program administered by the DELAWARE that provides coverage for diabetes management products.