

Schnucks/CVS Health FAQs

This document was prepared to answer questions Schnucks teammates have about the transaction.

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Questions about the details of the business transaction

1. What was announced today?

Schnucks and CVS Pharmacy Inc., which is a subsidiary of CVS Health Corporation, have entered into a definitive agreement for CVS Pharmacy to acquire Schnucks' pharmacy business. Through this agreement, CVS Pharmacy's subsidiaries will:

- **Acquire and operate 96 Schnucks in-store pharmacies in Missouri, Illinois, and Indiana, one Schnucks standalone pharmacy in Union, Missouri, and two Schnucks Specialty Pharmacies - one in Springfield, Illinois, and another in St. Louis, Missouri, inside a Lindell Blvd. medical office.** All of these pharmacies will be branded as CVS Pharmacy and the in-store pharmacies will be operated as a "store within a store," similar to how CVS Pharmacy operates within Target stores.
- **Acquire the prescription files of seven Schnucks in-store pharmacies at the following locations: DeKalb, Illinois; Rockford, Illinois (Loves Park); Roscoe, Illinois; Sangamon, Illinois; Bettendorf, Iowa; Janesville, Wisconsin; and Kirkwood, Missouri.** These locations, which CVS Pharmacy will not be operating, will close. Customers' existing prescriptions at these pharmacies will be transferred to nearby CVS Pharmacy locations.
- **Acquire the prescription files of four Schnucks Specialty Pharmacies at the following locations: Schnucks Regional Specialty Pharmacy in Maryland Heights, Missouri; Schnucks Specialty Pharmacy in a Moline, Illinois, medical office building; and two Schnucks Specialty Pharmacies located in medical offices on South Brentwood Boulevard and Watson Road in St. Louis, Missouri.** These locations, which CVS Pharmacy will not be operating, will close. Customers' existing prescriptions at these pharmacies will be transferred to nearby CVS Pharmacy locations.

2. When is the deal final? When is the last day the pharmacies will operate as Schnucks?

The transaction is subject to customary closing conditions. The current plan is for the CVS Pharmacy subsidiary to assume ownership of Schnucks' pharmacies on a rolling schedule to be completed by end of the second quarter of the calendar year. Each pharmacy will be operated by Schnucks and continue its business as usual until the transfer of ownership takes place. The last day that the pharmacies will operate as Schnucks will vary, but the anticipated ownership transfer date for each pharmacy will be shared in advance.

3. What should we know about CVS Health?

CVS Pharmacy is the retail division of CVS Health. More than 300,000 employees throughout the CVS Health enterprise are united around a common goal of becoming the most consumer-centric health company in the world. The company is evolving based on changing

consumer needs and meeting people where they are, whether that's in the community at one of their nearly 10,000 local touchpoints, in the home, or in the palm of their hand. The company's newest offerings – from HealthHub® locations that are redefining what a pharmacy can be, to innovative programs that help manage chronic conditions – are designed to create a higher-quality, simpler, and more affordable experience. Learn more at <http://www.cvshealth.com>.

Questions about the decision to sell the pharmacy business

1. Why did Schnucks make the decision to sell its pharmacy business to CVS Health?

While this was not a decision we made lightly, the retail pharmacy business has been challenging. Partnering with an operator like CVS Pharmacy that focuses almost exclusively on healthcare and pharmacy needs, and has broader offerings, is in the best interest of our customers, our teammates and our company.

2. Is Schnucks financially secure? Are you positioning to sell the company?

We are not positioning the company for sale. Schnucks is financially secure and strong - in fact, we believe this move actually makes our company even stronger. As our industry becomes more competitive by the day, this move allows us to focus on what we believe we do better than many of our grocery competitors – helping our customers to feed their families. Being able to focus squarely on that need is good for Schnucks and our customers, who will continue to have the convenience of an in-store pharmacy, run by a company focused on health and wellness, and staffed in large part by former Schnucks teammates – teammates who we believe are among the best in the pharmacy industry. While the industry is always changing and evolving, as are the decisions that are best for our business, there are currently no plans to sell any other aspects of our business. In fact, we anticipate opening several new stores in the coming years and we plan to spend more than \$60 million remodeling or enhancing over 40 stores in the next three years to improve our customer experience. This transaction will help us make these investments and achieve this goal.

Questions about our pharmacy teammates' jobs

3. Will Pharmacy Technicians, Pharmacists, Pharmacy Managers and Pharmacy Supervisors keep their jobs?

Pharmacy Technicians (Includes those at stores, Central Fill/Call Center, Specialty Pharmacies, Pharmacy Warehouse)

To provide continuity for Schnucks pharmacy customers, CVS Pharmacy will post all Pharmacy Tech positions, and will interview all pharmacy technicians who apply, even if they are in a location that is closing. All current Schnucks pharmacy techs are encouraged to apply. If a Schnucks Pharmacy Tech is offered a Pharmacy Tech role with CVS Pharmacy, Schnucks encourages teammates to accept the position. Any Pharmacy Technician who does not accept an employment offer with CVS Pharmacy will be transferred into an open position within a Schnucks store.

- Pharmacy Techs who are offered store roles with Schnucks will keep their existing rate of pay. The Certified Pharmacy Technicians' certification premium will be folded into their hourly rate.
- For those Pharmacy Technicians who belong to a labor union, full-time/part-time status in their new store role at Schnucks will be determined by the rules of the collective bargaining agreement and seniority. For all other Pharmacy Technicians, full-time/part-time status in their new store role at Schnucks will be determined based on the needs of the business and the particular store location.

Pharmacists, Pharmacy Managers, & Pharmacy Supervisors (Includes those at stores, Central Fill/Call Center, Specialty Pharmacy, and Store Support Center)

To provide continuity for Schnucks pharmacy customers, CVS Pharmacy will interview all of our Pharmacists – including those at pharmacies that will be closing – with a goal of offering employment to most. If a Schnucks Pharmacist is offered a role with CVS Pharmacy, Schnucks encourages teammates to accept the position. In cases where CVS Pharmacy does not make an offer to a Pharmacist, a severance package and outplacement services will be considered.

4. If a Pharmacist chooses not to interview with CVS Pharmacy, will they be offered severance?

No. Any severance will be considered on a case-by-case basis, and only for those Pharmacists whose CVS Pharmacy employment interview does not result in a CVS Pharmacy employment offer.

5. Are Pharmacy Technicians eligible for severance?

No. Since we currently have open positions within our stores, our priority is to fill those roles so that we can better serve our customers. Pharmacy Technicians who are offered Pharmacy Tech roles with CVS Pharmacy are encouraged to accept the positions. Pharmacy Techs who are not offered or do not accept employment with CVS Pharmacy will be transferred into an open position within a Schnucks store. While Pharmacy Techs are not required to interview with CVS Pharmacy, we strongly encourage them to do so in order to learn about the pay and benefits. Having this information will allow teammates to make a well-informed decision.

6. **What happens to the Pharmacy Warehouse Clerks who are not Pharmacy Technicians?**

Pharmacy Warehouse Clerks will be transferred to an open role within our stores. They will keep the same rate of pay.

7. **What happens to those teammates at Pharmacy Central Fill who are not Pharmacists or Pharmacy Techs?**

They will either be offered a comparable role at Schnucks or if there are no comparable roles available, they will be offered severance.

8. **What happens to our Store Support Center teammates who work in the Pharmacy Department or in roles that primarily support Pharmacy? What about those in leadership roles at the Pharmacy Warehouse?**

CVS Pharmacy has expressed interest in interviewing all SSC Pharmacy Operations/Pharmacy Support teammates and Pharmacy Warehouse leadership. We encourage teammates to apply and we anticipate that some may receive employment offers. However, because CVS Pharmacy has an established operations team, some of the roles our teammates hold are likely already being performed by existing CVS Pharmacy employees. As a result, we anticipate that we will be offering severance packages to some of our Store Support Center Pharmacy teammates and Pharmacy Warehouse leadership teammates who are not offered roles at CVS Pharmacy. We are committed to handling those teammates' transitions with compassion and will also be supporting these teammates by providing outplacement services.

9. **How many job losses will there be as a result of this transaction? What is the last day for those teammates?**

While selling our pharmacy business to CVS Pharmacy was the best move for the long-term strength of our company, it was important to us that we do so only if we could also ensure that we could minimize any job losses. **Of the approximately 1,150 teammates who work in or support Schnucks' pharmacies and pharmacy operations, Schnucks anticipates that approximately 90% will either be offered roles with CVS or will be transferred into one of our open store roles.** For any teammates who are displaced, their last day will vary depending upon their role.

10. Does this fit the qualifications that would require Schnucks to issue WARN notices?

No

Questions about the employment process with CVS Pharmacy

11. How do I apply for a role with CVS Pharmacy?

All interested Schnucks pharmacy teammates will be provided a link to the job postings shortly after the deal is announced.

12. Am I eligible to apply for a role if I worked for CVS Pharmacy before and did not leave on good terms? Am I eligible to apply for a role if I am on probation with Schnucks?

Yes, all Schnucks pharmacy teammates are encouraged to apply. Formal offer of a position with CVS Pharmacy is subject to customary pre-employment screening.

13. Am I eligible to apply for a role if I am on an approved leave of absence?

Yes and you are encouraged to apply. However, any formal offers of employment CVS Pharmacy makes to those on an approved leave of absence will be contingent on the teammate's return to work within 180 days following the date their leave began. Formal offer of a position with CVS Pharmacy is also subject to customary pre-employment screening.

14. What does the CVS Pharmacy pre-employment screening entail?

CVS Pharmacy's customary pre-employment screening includes a drug screening as well as background, criminal, immigration, and other checks meeting applicable Board of Pharmacy requirements.

15. What will the CVS Pharmacy interview process entail and when will it occur?

CVS Pharmacy retail field leaders will be in several central Schnucks locations to interview all interested Schnucks pharmacy employees starting the week of March 16th. More information regarding those visits will be shared in the coming days.

16. What if I am on PTO or on medical leave during the time that CVS is conducting employment interviews?

Those who are on PTO while interviews are taking place will be interviewed upon their return from PTO. Those who are out on medical leave while interviews are taking place will be interviewed upon return from their leave of absence or sooner if they elect to participate. (Teammates who are on PTO or medical leave at the time of this announcement will be

contacted so that they are made aware of the news of CVS Health acquiring Schnucks' pharmacy business.)

Questions about pay and benefits at CVS Pharmacy

17. If I accept a job offer from CVS Pharmacy, will it affect my pay?

If you accept a job with CVS Pharmacy, it will be for a comparable position at a base pay that is equal or greater than your current base pay.

18. What is CVS Pharmacy's pay frequency?

CVS Pharmacy pays employees bi-weekly, with payday being every other Friday. Each pay period runs from Sunday through the second Saturday.

19. If I accept a job offer from CVS Pharmacy, will I be eligible for a CVS employee discount? Will I still be eligible for my Schnucks teammate discount?

All CVS Health employees and their legal spouses receive a special employee ExtraCare card, which entitles them to 30% off CVS Pharmacy Store Brand products and 20% off national brand products. You'll also earn 2% back in CVS ExtraBucks® Rewards every time you use your ExtraCare employee key tag. (Exclusions apply.) Full details, including exclusions, will be shared when you receive your card. While you will no longer be eligible for your Schnucks teammate discount, you can continue to remain a member of Schnucks Rewards and continue to earn and redeem Schnucks Rewards points on eligible Schnucks purchases.

20. How many hours do you have to work to be eligible for CVS Health benefits?

Employees who average at least 30 hours per week are eligible for benefits. You can learn more about CVS Health benefits by visiting [My Benefits Spotlight](#).

21. I am currently enrolled in Schnucks benefits. If I am hired by CVS Pharmacy, will I be immediately eligible for CVS Health benefits on my hire date?

Upon your hire date, if you are eligible for CVS Health benefits and have met all applicable waiting periods, you may enroll in the plans as soon as administratively possible. Benefits will be retroactively applied to begin from your CVS Health hire date. You can learn more about CVS Health benefits by visiting [My Benefits Spotlight](#).

22. I'm benefits eligible, but not currently enrolled in Schnucks benefits. If I accept a job offer from CVS Pharmacy, when can I enroll in benefits?

Upon your hire date, if you are eligible for CVS Health benefits and have met all applicable waiting periods, you may enroll in the plans as soon as administratively possible. Benefits will

be retroactively applied to begin from your CVS Health hire date. You can learn more about CVS Health benefits by visiting [My Benefits Spotlight](#).

23. If I accept a position with CVS Pharmacy, how much paid time off (PTO) will I accrue?

If you accept a position with CVS Pharmacy and are eligible for PTO, you will begin to accrue paid time off starting on your date of hire. You will learn more about PTO accrual during the interview process.

24. Will CVS Pharmacy honor my years of service with Schnucks?

CVS Pharmacy has agreed to honor prior Schnucks service for benefits eligibility and vesting purposes. In addition, Schnucks service will be used to calculate paid time off accrual and in the event you are ever offered severance by CVS Pharmacy.

25. If I accept a position with CVS Pharmacy, will I receive a payout for my accrued but unused Schnucks PTO?

Yes, any accrued but unused PTO will be paid out with the teammate's final Schnucks paycheck.

26. I have been approved to take vacation time that is scheduled to begin later this year. What do I do?

Schnucks pharmacy teammates should continue to plan and use PTO and vacation time as you do today. If you are hired by CVS Pharmacy, any concerns about vacation time should be addressed with your direct supervisor.

27. For Schnucks Profit Sharing-eligible teammates who accept employment offers with CVS Pharmacy, are they still eligible for Schnucks' profit-sharing for this year?

Per the Schnucks Profit Sharing Plan document, a Schnucks teammate must work 1000 hours in a fiscal year to receive that year's contribution or vesting year of service. If teammates work 1000 hours in the current fiscal year prior to leaving Schnucks, they will be provided a Schnucks Profit Sharing contribution.

28. For Schnucks teammates who were eligible for the Schnucks Short-Term Incentive Plan (STIP) and who accept employment offers with CVS, will they still receive the STIP payout?

Teammates who are no longer employed by Schnucks are not eligible for the Schnucks STIP payment.

Questions about Schnucks teammates' pharmacy benefits

- 29. Schnucks Pharmacies are the primary pharmacy for Schnucks teammates who receive their benefits through our company. What does this mean for our teammates' pharmacy benefits, and what pharmacy will we use going forward?**

Any pharmacy benefits coverage in which you are currently enrolled will continue uninterrupted. Teammates' prescriptions will automatically transfer to CVS Pharmacy - there is no action necessary by teammates for this to happen. However, if teammates wish to transfer their prescriptions to a different pharmacy *other* than CVS Pharmacy, there will be other pharmacy options as well. Additional information about how this transaction affects teammates' pharmacy benefits will be shared by the Total Rewards team within the next two weeks.

- 30. What if I have a prescription that is filled by the Schnucks Specialty Pharmacy? Will my prescription also be automatically transferred to CVS?**

The Total Rewards team is continuing to finalize this information and will share information about specialty pharmacy benefits within the next two weeks.

- 31. Will Schnucks teammates be receiving new pharmacy benefits cards when the pharmacies transition to CVS Pharmacy?**

The Total Rewards team is working to determine if new pharmacy benefits cards will be necessary. We will be sharing additional information with teammates within the next two weeks.

- 32. Once the pharmacies become CVS Pharmacy, will I still be able to earn Schnucks Rewards on my pharmacy co-pays?**

No, but CVS Pharmacy has its own [ExtraCare Pharmacy & Health Rewards program](#), and teammates and customers will be able to earn rewards through that program instead.

Questions related to our customers

- 33. How will we be sharing this news with current Schnucks Pharmacy customers?**

CVS Pharmacy will partner with Schnucks to identify digital, print, and in-store communication channels and touchpoints to introduce the CVS Pharmacy brand and highlight pharmacy services. We will also comply with all legal requirements as it relates to notifications.

34. What should I tell customers who ask about the transition to CVS Pharmacy?

It's important to tell customers they will continue to receive the quality pharmacy services and care as always. You can also share that customers will learn more as each pharmacy gets closer to its scheduled date for transfer of ownership.

35. Once CVS Pharmacy assumes ownership of a pharmacy, what changes can customers expect to see? Will hours and phone/fax numbers change? Will there be new products and services?

Hours of operation, phone numbers, and fax numbers will not change. Customers will see changes to signage, uniforms, and infrastructure (fixtures, etc.) Pharmacy customers will also have access to CVS Pharmacy's leading pharmacy care programs, which can help customers save time, save money, and achieve better outcomes.

36. For the pharmacies that CVS Pharmacy will continue to operate, are they all going to remain open for the long term?

CVS Pharmacy has expressed their intent to operate those pharmacies moving forward, but any questions about longer term plans should be directed to CVS Pharmacy.

37. For those pharmacies that are closing, how far will customers have to travel to get to the CVS Pharmacy where their prescriptions were transferred?

Most locations are less than a mile away.

38. Will customers experience changes to insurance coverage when CVS Pharmacy assumes ownership of a pharmacy?

When CVS Pharmacy assumes ownership of a pharmacy, customers who fill their prescriptions at that location should check with their insurance provider to confirm that CVS Pharmacy is an in-network provider and to verify co-pays.

39. Will Schnucks customers still be able to use the Schnucks App to refill prescriptions?

No, but the [CVS Pharmacy app](#) allows customers to view and easily refill prescriptions. The Schnucks app will also eventually include a link to the CVS Pharmacy app so that pharmacy customers can easily take care of their pharmacy needs.

40. Is there a CVS Rewards card/program and will Schnucks customers still be able to earn Schnucks Rewards on their pharmacy co-pays once a Schnucks Pharmacy transitions to a CVS Pharmacy?

Schnucks customers will no longer be able to earn Schnucks Rewards upon transfer of ownership, but pharmacy customers can sign up for CVS Pharmacy's program, which allows participants to earn [ExtraCare Pharmacy & Health Rewards](#) up to \$50 ExtraBucks® Rewards for filling prescriptions, getting flu shots and more.

41. Will customers be able to purchase non-pharmacy Schnucks items or over-the-counter medication at the in-store CVS Pharmacy checkout?

Initially, the CVS Pharmacy will not be able to process purchases of non-pharmacy items. We plan to work with CVS with a goal of resolving this issue in the long-term.

42. Once CVS has assumed ownership of Schnucks' pharmacy business, where will prescriptions for Specialty Pharmacy mail order customers be filled?

Prescription files for the mail order specialty business will be transferred to CVS Specialty CarePlus. Patients will have the option of having their specialty medications delivered to their home or to the CVS Pharmacy location of their choice. HIV prescriptions can be filled at any CVS Pharmacy.

43. Will patients be able to continue to use other Schnucks pharmacy services like Auto-Refill and Immunizations?

CVS Pharmacy has corresponding programs for these same services. Immediate patient access to CVS Pharmacy's leading pharmacy care programs include ReadyFill® (for automatic refills), Immunizations, SMS notifications and 90 Day supplies.

44. Will there be new products and services offerings once a Schnucks pharmacy becomes a CVS Pharmacy?

Pharmacy customers will have access to other CVS Pharmacy's leading pharmacy care programs which can help consumers save time, save money, and achieve better health outcomes. These additional programs include ScriptSync® (to synchronize prescription pick up dates), Rx Savings Finder (for colleagues to assist patients in potential savings), and ScriptPath (our proprietary clinical engine for a dosing schedule label), among many others. These programs will be introduced to store teams and patients on a rolling basis in the months to come.

45. Will pet medications still be offered once my pharmacy becomes CVS Pharmacy?

CVS Pharmacy will be able to continue filling medications for pets that are made for human consumption. Medications specifically formulated for pets (i.e. heartworm or flea/tick prevention) will no longer be available.

Other questions

46. For those in-store pharmacies that CVS will not be operating, what will happen to the space once those pharmacies close?

This will be determined on a case-by-case basis and will include a thorough review by our Operations and Engineering teams to determine the best use of the available square footage.

47. What will happen to the properties where Central Fill, the Pharmacy Warehouse, and the Regional Specialty Pharmacy are currently located?

The Pharmacy Warehouse and Regional Specialty Pharmacy (in Maryland Heights, Missouri) are both leased, so the building owners will determine what will happen to those spaces. Central Fill shares its space with the Bridgeton warehouse, which we will continue to use.

48. Will former Schnucks employees who are hired by CVS Pharmacy still be able to access Schnucks Connection?

No, you will instead have access to CVS Pharmacy systems. However, we will be working closely with CVS Pharmacy to share communication about Schnucks news, events, and other information that may be of importance to those who work at the in-store CVS pharmacies and vice versa.

49. Will CVS Pharmacy employees be able to participate in Schnucks campaigns and contests, such as Folds of Honor or United Way?

If you are a CVS Pharmacy employee you will no longer be able to participate in Schnucks employee campaigns and contests.

50. How can Schnucks teammates learn more?

You will find answers to many of your questions on [Schnucks Connection](#), on a special “Schnucks & CVS Pharmacy” page. In addition to this FAQ document and other information about this news, the page will be frequently updated to include new resources as more details become available. Schnucks teammates can also submit questions via the Pharmacy Questions form on the page.

Pharmacy leader questions

51. As a leader, what should I be focused on relative to the announcement?

From a communications perspective, we’ll need your help to ensure everyone on your team understands what the announcement means and how to respond to customers’ questions. From an operational perspective, it’s business as usual. Keeping your team focused on providing good customer service remains the top priority.

52. How do I respond to concerns from pharmacy staff about the recent CVS Pharmacy workload allegations that were made in the New York Times?

There is no plan to change the labor model for staffing the pharmacies following the transition of ownership. CVS Pharmacy has an excellent safety record, and has made important strides, including using technology to enhance accuracy, regularly measuring the quality of their pharmacy services and, most importantly, listening to and valuing the feedback of its pharmacists. In fact, last year, CVS Pharmacy conducted a survey of all of its pharmacists to gauge their perspective on the culture of patient safety in their pharmacies and the overwhelming majority of responses were positive. To learn more, visit [CVS Health Responds to Recent News on Pharmacy Workplace Concerns](#).

53. What support will be provided to help Schnucks Pharmacy locations convert to CVS Pharmacy? How will we go about changing point-of-sale systems, processes, etc.?

Each location will receive a comprehensive conversion guide that provides details about what needs to be done and when. Pharmacies also will receive support from CVS Pharmacy operations and training staff.

54. I have a pharmacy new hire who is scheduled to start soon? How do I handle this?

Please reach out to Human Resources for guidance.

55. I have open roles. Can I continue to post jobs/interview/hire?

CVS Pharmacy will assume responsibility for filling open positions.