



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

February 23, 2016

Thomas S. Moffatt
CVS Health Corporation
thomas.moffatt@cvshealth.com

Re: CVS Health Corporation
Incoming letter dated January 15, 2016

Dear Mr. Moffatt:

This is in response to your letter dated January 15, 2016 concerning the shareholder proposal submitted to CVS Health by the National Center for Public Policy Research. We also have received a letter from the proponent dated February 9, 2016. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair
Senior Special Counsel

Enclosure

cc: Justin Danhof
The National Center for Public Policy Research
jdanhof@nationalcenter.org

February 23, 2016

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: CVS Health Corporation
Incoming letter dated January 15, 2016

The proposal requests that the board report to shareholders annually a congruency analysis between corporate values and the company's political contributions and policy activities.

There appears to be some basis for your view that CVS Health may exclude the proposal under rule 14a-8(i)(11). We note that the proposal is substantially duplicative of a previously submitted proposal that will be included in CVS Health's 2016 proxy materials. Accordingly, we will not recommend enforcement action to the Commission if CVS Health omits the proposal from its proxy materials in reliance on rule 14a-8(i)(11).

Sincerely,

Evan S. Jacobson
Special Counsel

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matter under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff's and Commission's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholders proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material.



February 9, 2016

Via email: shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

**RE: Stockholder Proposal of the National Center for Public Policy Research,
Securities Exchange Act of 1934 – Rule 14a-8**

Dear Sir or Madam,

This correspondence is in response to the letter of Thomas Moffatt on behalf of CVS Health Corporation (the “Company”) dated January 15, 2016, which requests that your office (the “Commission” or “Staff”) take no action if the Company omits our Shareholder Proposal (the “Proposal”) from its 2016 proxy materials for its 2016 annual shareholder meeting.

RESPONSE TO CVS HEALTH’S CLAIMS

Our Proposal asks the Board of Directors to issue an annual report to shareholders about certain Company actions that fail to align with its stated free market principles. The goal of the Proposal is to protect shareholders against Company actions that misalign with the Company’s clear duty as a public, for-profit corporation to maximize shareholder value. The Company claims that our Proposal is similar to another proposal seeking corporate alignment between political activity and Company policy. The Company is mistaken. That proposal is an attack on conservative and free market speech and only seeks to use the Company as a conduit to achieve those totalitarian ends.

Our Proposal and mission are polar opposites of the other filer. The other filer – NorthStar Asset Management – is seemingly engaged in an exercise to root out free speech. Its proposal is a means to that end. On the other hand, our mission is to advance liberty. Our Proposal is a means to that end.

The Company has the burden of persuading the Staff that it may exclude our Proposal from its 2016 proxy materials. Staff Legal Bulletin No. 14 (CF) (July 13, 2001) (“SLB 14”). For the following reasons, the Company has fallen well short of this burden.

Analysis: The Company May Not Omit Our Proposal Under Rule 14a-8(i)(11) Since it is Distinct From All other Proposals To be Voted on at the Upcoming Annual Meeting of CVS Shareholders

Under Rule 14a-8(i)(11), a company may exclude a shareholder proposal if it “substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the Company’s proxy materials for the same meeting.” In determining whether two proposals are substantially duplicative, the Commission has indicated that the principal determination is whether the primary *crux* or *thrust* of the proposals is essentially the same. *See generally, Wells Fargo & Company*, (avail. January 17, 2008).

The Company would have the Staff confirm that our Proposal is so similar to another proposal to be voted on at the CVS Health annual meeting that its shareholders would not be able to tell the difference between the two. We think the Company’s shareholders are savvier than that. The Company claims that our Proposal is substantially similar to that of NorthStar Asset Management’s – which it intends to place in its proxy statement. Our Proposal and NorthStar’s are night and day.

It is instructive to realize the aim of the two proposals. NorthStar seems to be on a mission to silence free speech. To that end, it consistently misconstrues the U.S. Supreme Court decision of *Citizens United v. Federal Election Commission*. With its twisted view, NorthStar then works to silence any corporate speech that could be construed as assisting a conservative individual, organization or cause.¹ It files shareholder resolution after shareholder resolution complaining about corporate dollars or activities that flow right-of-center. Its resolution before CVS Health is just such a proposal.

The NorthStar proposal actually expresses concern that some CVS PAC donations went to individuals that favor the Keystone XL Pipeline and expanded oil exploration. In other words, NorthStar opposes corporate support for American jobs and prosperity. NorthStar must also oppose the environment. Having Canadian oil shipped through such a pipeline

¹ It sure is interesting that NorthStar never seems to complain about the billions and billions of corporate dollars that flow to liberal politicians and far-left causes. If corporate speech is so offensive, why is NorthStar only concerned about perceived conservative speech? That’s a question NorthStar management should answer and its staff should be concerned about.

and refined in the United States would use far less fossil fuels and energy than other approaches such as train or freight shipment of that oil to other geographical locations.

While NorthStar's proposal is about tearing the Company down, our Proposal is aimed at lifting the Company up. America's free-market capitalistic system allowed CVS Health to grow and become the thriving business that it is today. To the extent that the Company has turned its back on that great system, our Proposal seeks to get the Company back on track. To wit, our Proposal highlights occasions where the Company has taken anti-competitive actions that might harm the marketplace in the short term and the Company in the long term.

Our prior corporate activism in opposing NorthStar's work also highlights the stark difference between our liberty-based Proposal and its proposal's anti-business approach. In the past, we have been highly critical of NorthStar's anti-capitalistic tactics. Last year as Johnson & Johnson shareholders were preparing to vote on a similar NorthStar proposal, we issued a press release stating:

At Thursday's annual meeting of Johnson & Johnson shareholders, investors will vote on a proposal submitted by NorthStar Asset Management that ostensibly asks the company to align its corporate donations with its stated corporate values. However, the proposal is actually an attack on conservative politicians, free market positions and pro-business organizations. The proposal attacks Johnson & Johnson for past donations to politicians that supported free-market approaches to American energy policy and traditional marriage. It also attacks the company for its involvement with the U.S. Chamber of Commerce.

"NorthStar gives away its true intentions in its proposal's opening sentence, which complains about the U.S. Supreme Court decision in *Citizens United v. Federal Election Commission* by bemoaning the Court's plain language interpretation of free speech," said Danhof. "But speech – in this instance, monetary donations – that Johnson & Johnson has made to liberal politicians is conspicuously absent from the laundry list of activities that NorthStar's proposal complains about. NorthStar's proposal only complains about donations that advance conservative or free-market causes. And that is the heart of this entire movement – the left is all for free speech, unless it disagrees with that speech."

Johnson & Johnson made itself vulnerable to this type of proposal when it bowed to leftist pressure in 2012 and caved to Color of Change after it pressured the company to stop working with the American Legislative Exchange Council (ALEC).

“By acceding to the left’s demands to end a relationship with a well-respected, four-decade old organization of state legislators that promotes free market values and limited government, Johnson & Johnson put a target on its back. Once these extreme activists know a company will give an inch, they will come back for a mile,” said Danhof. “Johnson & Johnson’s investors can send a loud message Thursday by rejecting this latest liberal assault and perhaps steel the company’s spine against further attacks.”²

After that press release, I attended the Johnson & Johnson shareholder meeting to speak out against the NorthStar proposal. At the meeting, I stated that:

NorthStar Asset Management is part of a broad network of liberal activists that abhor free speech. Using shareholder activism and good governance as a cover, these groups seek to silence and defund anyone who works to advance conservative or market-based solutions to policy issues.

That’s the crux of the left’s strategy: use corporations as tools to silence conservative and free-market speech. And, unfortunately, Johnson & Johnson’s decision to end its relationship with the American Legislative Exchange Council (ALEC) in 2012 opened the door for just such a proposal.

ALEC is a venerable organization of state legislators and business leaders that has worked for more than four decades to foster a pro-business environment that has allowed companies such as Johnson & Johnson to thrive and create innovative, life-saving pharmaceuticals. Yet, when liberal agitators falsely accused ALEC of being a

² “Leading Free Market Activist Group Advises Investors to Reject Upcoming Shareholder Resolutions Designed to Stifle Free Speech and Defund Market-Based Policy Solutions,” National Center for Public Policy Research, April 21, 2015, available at http://www.nationalcenter.org/PR-Pfizer_Johnson&Johnson_Honeywell_042115.html as of February 9, 2016.

racist organization for supporting voter ID laws (which by the way are favored by a majority of Black Americans and Democrats), Johnson & Johnson was among the many companies to distance itself from ALEC despite the fact that ALEC works to create a strong business environment for the company and the left-wing race hustlers who opposed them could care less if Johnson & Johnson succeeds or fails. By giving that inch, the company opened itself up to these continued attacks.

Finally, following last year's Johnson & Johnson annual shareholder meeting, we put out another press release lauding the Company's shareholders for overwhelmingly rejecting NorthStar's proposal.³

If NorthStar's proposal ends up on the CVS Health proxy statement this year, we very well might wage a similar campaign as we did against its proposal on last year's Johnson & Johnson proxy. Obviously we would launch a campaign to garner support were our Proposal to reach the CVS proxy statement. How can two proposals be substantially similar if our organization would endorse one and run a media campaign to try and sink the other?

It should be noted that the Company's decision to try and place the NorthStar proposal on its proxy statement is unsurprising. In recent years, CVS Health has become the poster boy for leftist corporate behavior. Bowing to liberal leaders at turn after turn, CVS Health has used its stores to push ObamaCare on the American people despite that law's market distortions and the great harm it has caused this country. In recent years, CVS Health also abandoned the American Legislative Exchange Council and the U.S. Chamber of Commerce – two groups that work to promote pro-growth and pro-business policies.

A vote for our Proposal would be a vote in favor of free markets and a return to a more competitive marketplace. A vote for the NorthStar proposal would be a vote to silence free speech. These are not the same.

Conclusion

Based upon the above analysis, we respectfully request that the Staff find that our Proposal may not be omitted under Rule 14a-8(i)(11).

³ "Conservatives 3 - Liberals 0: Johnson & Johnson, Pfizer and Honeywell Investors Overwhelmingly Reject Left's Call That They Stop Working with Conservative Organizations and Public Officials," National Center for Public Policy Research, April 27, 2015, available at http://www.nationalcenter.org/PR-Pfizer_Johnson&Johnson_Honeywell_042715.html as of February 9, 2016.

Office of the Chief Counsel
Division of Corporate Finance
February 9, 2016
6

The Company has clearly failed to meet its burden that it may exclude our Proposal under Rule 14a-8(g). Therefore, based upon the analysis set forth above, we respectfully request that the Staff reject CVS Health's request for a no-action letter concerning our Proposal.

A copy of this correspondence has been timely provided to the Company. If I can provide additional materials to address any queries the Staff may have with respect to this letter, please do not hesitate to call me at 202-507-6398 or email me at JDanhof@nationalcenter.org.

Sincerely,

A handwritten signature in blue ink that reads "Justin Danhof". The signature is written in a cursive style with a long horizontal stroke at the end.

Justin Danhof, Esq.

cc: Thomas Moffatt, CVS Health Corporation

January 15, 2016

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
(Via e-mail: shareholderproposals@sec.gov)

**Re: CVS Health Corporation
Shareholder Proposal of
The National Center for Public Policy Research**

Ladies and Gentlemen:

CVS Health Corporation, a Delaware corporation (the "**Company**"), in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), is filing this letter with respect to the shareholder proposal and supporting statement (the "**NCPPR Proposal**") submitted by The National Center for Public Policy Research (the "**Proponent**") in a letter dated November 25, 2015. The Proponent seeks inclusion of the NCPPR Proposal in the proxy materials that the Company intends to distribute in connection with its 2016 Annual Meeting of Shareholders (the "**2016 Proxy Materials**"). A copy of the Proposal and all related correspondence with the Proponent are attached hereto as Exhibit A. The Company hereby requests confirmation that the staff of the Office of Chief Counsel (the "**Staff**") will not recommend enforcement action if, in reliance on Rule 14a-8 of the Exchange Act, the Company omits the Proposal from its 2016 Proxy Materials.

Pursuant to Rule 14a-8(j), this letter is being filed with the Securities and Exchange Commission (the "Commission") no later than 80 days before the Company files its definitive 2016 Proxy Materials. Pursuant to Staff Legal Bulletin No. 14D, *Shareholder Proposals* (Nov. 7, 2008), this letter is being submitted to the Commission via e-mail to shareholderproposals@sec.gov.

Rule 14a-8(k) and Section E of Staff Legal Bulletin 14D provide that shareholder proponents are required to send companies a copy of any correspondence the Proponent elects to submit to the Commission or the staff of its Division of Corporation Finance. Accordingly, I am hereby informing the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the Company.

Pursuant to Rule 14a-8(j), a copy of this submission is being sent simultaneously to the Proponent as notification of the Company's intention to omit the Proposal from its 2016 Proxy Materials. This letter constitutes the Company's statement of the reasons that it deems the omission of the Proposal to be proper.

I. The NCPPR Proposal

The Proposal states:

RESOLVED: The Proponent requests that the Board of Directors report to shareholders annually at reasonable expense, excluding any proprietary information, a congruency analysis between corporate values as defined by CVS Health's stated policies (including the Company's "Our Public Policy Principles") and Company political contributions and policy activities, including a list of any such contributions or actions occurring during the prior year which raise an issue of misalignment with corporate values, and stating the justification for such exceptions.

II. Statement of Reasons to Exclude

The Company believes that the NCPPR Proposal may be properly excluded from the 2016 Proxy Materials under Rule 14a-8(i)(11) because it substantially duplicates a proposal submitted by NorthStar Asset Management, Inc. Funded Pension Plan (the "**NorthStar Proposal**" and, together with the NCPPR Proposal, the "**Proposals**"), which was previously submitted to the Company on November 19, 2015 and which the Company intends to include in its 2016 Proxy Materials.

The Company has attached a copy of the NorthStar Proposal as Exhibit B and, as noted above, a copy of the NCPPR Proposal is attached hereto as Exhibit A. For your convenience, we have set forth below the resolution portion of each Proposal.

A. NorthStar Proposal

Resolved: Shareholders request that the Board of Directors report to shareholders annually at reasonable expense, excluding confidential information, a congruency analysis between corporate values as defined by CVS's stated policies (including our Environmental Commitment Statement and our employment policy on Equal Opportunity) and Company and CVS EPAC political and electioneering contributions, including a list of any such contributions occurring during the prior year which raise an issue of misalignment with corporate values, and stating the justification for such exceptions.

B. NCPPR Proposal

Resolved: The Proponent requests that the Board of Directors report to shareholders annually at reasonable expense, excluding any proprietary information, a congruency analysis between corporate values as defined by CVS Health's stated policies (including the Company's "Our Public Policy Principles") and Company political contributions and policy activities, including a list of any such contributions or actions occurring during the prior year which raise an issue of misalignment with corporate values, and stating the justification for such exceptions.

Basis for Excluding the NCPPR Proposal

The Company intends to exclude the NCPPR Proposal because it is substantially duplicative of the NorthStar Proposal, which will be included in the 2016 Proxy Materials. Rule 14a-8(i)(11) establishes that a company may exclude a stockholder proposal “[i]f the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company’s proxy materials for the same meeting.” A proposal substantially duplicates another proposal previously submitted only if the proposals present the same “principal thrust” or “principal focus,” independent of whether the proposals are identical. See, e.g., *General Electric Co.* (December 30, 2009) and *Wells Fargo & Co.* (January 17, 2008).

In this case, both the NorthStar Proposal and the NCPPR Proposal present the same principal focus because they request that the Company’s Board of Directors report to shareholders annually a congruency analysis between corporate values and political contributions. Furthermore, the Proposals request that the Company provide a list of any political contributions over the past fiscal year that raise an issue of misalignment with corporate values, while also stating the justification for such exceptions. Accordingly, because the Proposals are essentially duplicative of each other, the Company intends to exclude the NCPPR Proposal to eliminate the possibility of shareholders having to consider two identical proposals submitted by proponents acting independently of each other.

A company cannot select between duplicative proposals; rather, it must include the proposal that it first receives in its proxy materials. See *Constellation Energy Group, Inc.* (February 19, 2004); *Wells Fargo & Co.* (February 5, 2003). The Company received the NorthStar Proposal by priority U.S. mail on November 20, 2015, and the NCPPR Proposal by Federal Express on November 27, 2015. Therefore, the Company intends to exclude the NCPPR Proposal pursuant to Rule 14a-8(i)(11).

III. Conclusion

The Company respectfully requests the Staff’s concurrence with its decision to omit the NCPPR Proposal from the 2016 Proxy Materials and further requests the confirmation that the Staff will not recommend any enforcement action in connection with such omission. Please call the undersigned at (401) 770-5409 if you should have any questions or need additional information or as soon as a Staff response is available.

Respectfully yours,



Thomas S. Moffatt
Vice President, Assistant Secretary &
Asst. General Counsel – Corporate Services

Attachments

cc w/ att: Justin Danhof, Esq., National Center for Public Policy Research
Steve Gieve, Shearman & Sterling LLP



EXHIBIT -A-

RECEIVED

NOV 27 2015

LEGAL DEPT

Via FedEx

November 25, 2015

Colleen M. McIntosh, Corporate Secretary
CVS Health Corporation
One CVS Drive
Woonsocket, Rhode Island 02895

Dear Ms. McIntosh,

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the CVS Health Corporation (the "Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations.

I submit the Proposal as General Counsel of the National Center for Public Policy Research, which has continuously owned CVS Health stock with a value exceeding \$2,000 for a year prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2016 annual meeting of shareholders.

A Proof of Ownership letter is forthcoming and will be delivered to the Company.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq., General Counsel, National Center For Public Policy Research, 20 F Street NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,

A handwritten signature in black ink that reads "Justin Danhof". The signature is written in a cursive style.

Justin Danhof, Esq.

Enclosure: Shareholder Proposal

Alignment Between Corporate Values and Political and Policy Activity

Whereas:

The Proponent believes CVS Health should establish policies that minimize risk to the firm's reputation and brand.

Political contributions and policy activities of the Company include inconsistencies between the Company's actions and its stated corporate values.

Calling itself a "pharmacy innovation company" CVS Health promotes "health care that is affordable, yet easier to access and simpler to manage, in order to help improve the health of individuals while ensuring the long-term sustainability of both public and private health insurance programs." The Company also notes that it is "committed to working with policymakers to leverage proven private-sector tools and management approaches, including tailored pharmacy care, to help improve outcomes and reduce costs in Medicare." Also, according to the Company's Public Policy Principles, "CVS Health supports broad tax reform that would encourage U.S. companies to invest in the United States. This can be achieved by simplifying the federal tax code to lower the maximum corporate tax rate."

However, many of CVS Health's political donations and policy activities run counter to these stated corporate values.

For example, CVS has very publicly promoted the Affordable Care Act (more commonly known as ObamaCare) despite the fact that that law threatens the viability of the private health insurance market and raises prices for millions of Americans. CVS Health has also supported numerous political candidates that promote high corporate taxes.

Also, despite the fact that the American Legislative Exchange Council (ALEC) works to foster a low-tax, low-regulation business-friendly environment, the Company publicly ended its affiliation with ALEC at a time when anti-free-market activists were perpetuating falsehoods about ALEC and its activities.

The Company also publicly ended its relationship with the U.S Chamber of Commerce despite that organization's efforts to maximize a pro-growth, innovative business environment.

These actions all raise issue of inconsistencies between CVS Health's corporate values and its actions.

Resolved:

The Proponent requests that the Board of Directors report to shareholders annually at reasonable expense, excluding any proprietary information, a congruency analysis between corporate values as defined by CVS Health's stated policies (including the

Company's "Our Public Policy Principles") and Company political contributions and policy activities, including a list of any such contributions or actions occurring during the prior year which raise an issue of misalignment with corporate values, and stating the justification for such exceptions.

Supporting Statement:

The Proponent recommends that management develop coherent criteria for determining congruency, such as identifying some legislative initiatives that are considered most germane to core Company values, and that the report include an analysis of risks to our Company's brand, reputation, or shareholder value, as well as acts of stewardship by the Company to inform funds recipients' of Company values, and the recipients' divergence from those values, at the time contributions are made.

NORTHSTAR ASSET MANAGEMENT INC.

SOCIALLY
RESPONSIBLE
PORTFOLIO
MANAGEMENT

RECEIVED

NOV 20 2015

November 19, 2015

LEGAL DEPARTMENT

Colleen M. McIntosh
Senior Vice President and Corporate Secretary
CVS Health Corporation
One CVS Drive
Woonsocket, RI 02895

Dear Ms. McIntosh:

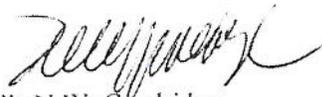
Considering the recent Supreme Court decision of *Citizens United v. Federal Election Commission* and past public backlash against corporate political spending, we are concerned about our Company's potential exposure to risks caused by our future electioneering contributions.

Therefore as the beneficial owner, as defined under Rule 13(d)-3 of the General Rules and Regulations under the Securities Act of 1934, of more than \$2,000 worth of shares of CVS Health common stock held for more than one year, the NorthStar Asset Management Funded Pension Plan is submitting for inclusion in the next proxy statement, in accordance with Rule 14a-8 of the General Rules, the enclosed shareholder proposal. The proposal requests that the Board of Directors report on the congruency between corporate values and political contributions.

As required by Rule 14a-8, the NorthStar Asset Management, Inc Funded Pension Plan has held these shares for more than one year and will continue to hold the requisite number of shares through the date of the next stockholders' annual meeting. Proof of ownership will be provided within 15 business days. I or my appointed representative will be present at the annual meeting to introduce the proposal.

A commitment from CVS Health to report on the congruency between corporate values and political and electioneering contributions will allow this resolution to be withdrawn. We believe that this proposal is in the best interest of our Company and its shareholders.

Sincerely,



Julie N.W. Goodridge
President and CEO
Trustee, NorthStar Asset Management, Inc. Funded Pension Plan

Encl.: shareholder resolution

Alignment between Corporate Values and Political Contributions

Whereas:

The corporate standard advocated by The Conference Board (TCB) in the "Handbook on Corporate Political Activity" (2010) recommends corporations review their political expenditures to "examine the proposed expenditures to ensure that they are in line with the company's values and publicly stated policies, positions, and business strategies and that they do not pose reputational, legal, or other risks to the company";

Political contributions made by CVS or the EPAC include inconsistencies between donations and corporate values. For instance, CVS's Environmental Commitment Statement declares that "we are committed to . . . contributing to the long-term sustainability of our business." Yet in 2013-2015, CVS EPAC designated \$253,000 (over 40% of its total contributions) to politicians who were in favor of the Keystone XL Pipeline and/or oil exploration into areas such as the Outer Continental Shelf;

CVS has an nondiscrimination policy which states that "our continued success depends on the full participation of all qualified persons regardless of . . . gender identity or expression . . . sexual orientation . . ." However, since 2009 the CVS EPAC has given at least \$56,500 to Gov. Abbott of Texas and Lt. Gov. Patrick, who were recently described as spouting "**hateful rhetoric**" against transgender individuals. Abbott and Patrick have appeared in public demonstrations behind signs that slur transgender individuals as "Men in Women's Bathrooms." The Proponent believes that Abbott and Patrick do not represent the values and policies of our Company;

Shareholders are concerned that such misalignments between corporate values and political contributions from the corporation and the EPAC illustrate a lack of oversight from Management; oversight which can be remedied by more thorough analysis and disclosure to shareholders.

Resolved: Shareholders request that the Board of Directors report to shareholders annually at reasonable expense, excluding confidential information, a congruency analysis between corporate values as defined by CVS's stated policies (including our Environmental Commitment Statement and our employment policy on Equal Opportunity) and Company and CVS EPAC political and electioneering contributions, including a list of any such contributions occurring during the prior year which raise an issue of misalignment with corporate values, and stating the justification for such exceptions.

Supporting Statement: Proponents recommend that Company management develop coherent criteria for *determining* congruency, such as identifying legislative initiatives that are considered most germane to core company values, and that the report include management's analysis of risks to our company's brand, reputation, or shareholder value, as well as acts of stewardship by the Company to inform funds recipients' of company values, and the recipients' divergence from those values, at the time contributions are made. "Expenditures for electioneering communications" means spending directly, or through a third party, at any time during the year, on printed, internet or broadcast communications, which are reasonably susceptible to interpretation as in support of or opposition to a specific candidate.