# PREFERRED PARTNER NETWORK MARKETING AGREEMENT

THIS AGREEMENT is made and entered into as of the 1st day of January, 2013, by and between Oklahoma Hospital Association, an Oklahoma nonprofit corporation ("OHA"), and Gallagher Benefit Services, Inc., a Delaware ("Company").

#### Recitals

OHA represents over 130 hospitals and health care entities in Oklahoma ("OHA Members"). OHA operates the Preferred Partner Network ("PPN"), which is a preferred vendor network for OHA Members.

Vendors interested in participating in the PPN must submit a request for proposal in the form required by OHA ("RFP") and be evaluated by an OHA committee. Company has submitted a RFP and been approved by OHA as a PPN vendor. As a condition of participating in PPN, Company as agreed to enter into a joint marketing relationship with OHA in accordance with the terms and conditions of this Agreement.

- 1. <u>Joint Marketing</u>. Each party agrees to establish a joint marketing program to promote and sell the products or services of the Company to OHA Members. OHA has approved the Company's sale of the products and/or services described in <u>Exhibit A</u> (collectively, "Products and Services").
- 2. <u>Term.</u> This Agreement will commence on the date of this Agreement and continue for a period of one year. Thereafter, this Agreement will continue until terminated as specifically provided elsewhere in this Agreement.
  - 3. <u>Duties of the Company</u>. During the term of this Agreement, Company shall:
    - (a) Actively market its Products and Services to OHA Members.
- (b) Maintain a sufficient inventory of products and employ or retain sufficient personnel to perform services, as applicable, to fulfill the demands of OHA Members.
- (c) Furnish OHA with all necessary marketing material, promotional information, technical information, and other information necessary for OHA to perform its obligations under this Agreement.
- (d) Work cooperatively with OHA with respect to the obligations of each party under this Agreement.
- (e) Provide prompt and courteous customer service and post-sale support to OHA Members with respect to all Products and Services.
- (f) Submit quarterly reports detailing the OHA Members that have purchased Products and Services from the Company, including a description of the Products and Services and the amounts paid by each OHA Member, with such reports due by the 15<sup>th</sup> day of the month

following the end of the calendar quarter (for example, the report for the first calendar quarter is due by April 15<sup>th</sup>).

- (g) Promptly notify OHA in writing of any material changes in its Products and Services or in the ownership or management of Company that could have a material impact on the quality or availability of Products and Services.
- (h) Notify OHA of any complaints received from OHA Members concerning the quality or value Products or Services and make a good faith effort to promptly resolve any problems or concerns by OHA Members.
  - 4. <u>Duties of OHA</u>. During the term of this Agreement, OHA shall:
    - (a) Market and promote Company's products or services to OHA members.
    - (b) Provide Company with OHA Members' contact information.
- (c) Market and promote PPN, including providing a current listing of PPN participating vendors to OHA Members on a regular basis.
- (d) Provide opportunities for Company representatives to participate in forums and meetings to educate OHA Members about the Company and its Products and Services.
- (e) Promptly inform Company of any complaints it has received from OHA Members concerning the quality or value of Products and Services.
- (f) Provide Company with PPN logo to use on Company's website and in marketing materials.
- 5. <u>Compensation</u>. For the marketing and promotion services provided by OHA, the Company shall pay OHA as set forth in <u>Exhibit A</u>.

# 6. Use of Marks.

- (a) OHA shall be authorized to use any trade name, trademark, or service mark of the Company, which the Company owns or is otherwise authorized to use by virtue of a license or other agreement (collectively, the "Company's Marks"). OHA will not claim any ownership in the Company's Marks, and all goodwill derived from or developed as a result of the use of the Company's Marks shall accrue solely to the benefit of the Company. OHA shall comply with all quality control standards and requirements imposed by the Company relating to the Company's Marks. The rights of OHA to use the Company's Marks shall automatically and immediately terminate upon termination of this Agreement.
- (b) Company shall be authorized to use the OHA "Preferred Partner Network" and "PPN" trade names, trademark, or service marks, which are owned by OHA (collectively, the "OHA Marks"). Company will not claim any ownership in the OHA Marks, and all goodwill derived from or developed as a result of the use of the OHA Marks shall accrue solely to the benefit of OHA. Company shall comply with all quality control standards and requirements

imposed by OHA relating to OHA Marks. The rights of Company to use OHA Marks shall automatically and immediately terminate upon termination of this Agreement.

7. <u>Insurance</u>. OHA shall, at its expense, maintain in effect during the term of this Agreement adequate comprehensive general liability and other insurance coverage to cover any loss, liability, or damage that may result out of the activities of OHA or its officers, agents, or employees under this Agreement. OHA will provide evidence of the required coverage to the Company upon request. The Company shall at its expense maintain in effect during the term of this Agreement policies of comprehensive general liability insurance and other insurance, with coverage in amounts mutually agreeable to OHA and the Company to cover any loss, liability, or damage that may result out of the ownership or operation of the Company. The Company will provide evidence of the required coverage to OHA upon request.

## 8. Termination.

- (a) <u>Termination by Either Party without Cause</u>. After the initial term, either the Company or OHA may terminate this Agreement at any time without cause by giving at least 60 days' notice to the other party.
- (b) <u>Termination by OHA</u>. After the initial term, OHA may terminate this Agreement immediately upon notice to the Company if the Company has not sold any Products and Services to OHA Members during the initial term.
- (c) <u>Termination for Material Breach</u>. If one party defaults by the failure to comply in all material respects with the terms of this Agreement, the other party may terminate this Agreement by giving at least 30 days prior written notice to the defaulting party, specifying in reasonable detail the nature of the default, unless the defaulting party remedies the default within the 30-day period. This provision shall not constitute an election of remedies by either party, and each party shall have and retain all rights and remedies that may be available at law or in equity in the event of breach or default by the other party.
- (d) On Termination. Upon termination of this Agreement, the Company shall pay OHA the amounts payable to the date of termination. Additionally, on termination neither party shall have any further obligations under this Agreement, except for obligations arising prior to the date of termination and obligations contained in this Agreement that are made or otherwise contemplated to extend beyond the term of this Agreement, including provisions relating to dispute resolution and confidentiality.
- 9. <u>Dispute Resolution Procedures</u>. Any claim, controversy, or dispute arising out of or relating to this Agreement or otherwise between the Company and OHA shall be submitted to mediation in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Mediation, with the costs of such mediation to be equally shared by the Company and OHA. If the claim, controversy, or dispute is not resolved in the mediation, then the parties shall submit the claim, controversy, or dispute to arbitration in Oklahoma City, Oklahoma, in accordance with the rules for arbitration of the American Health Lawyers Association. The arbitration shall be undertaken pursuant to the Federal Arbitration Act, where possible, and the decision of the arbitrators shall be final, binding, and enforceable in any court of competent jurisdiction. In any claim, controversy, or dispute in which a party seeks

in excess of \$100,000 in damages, three arbitrators shall be employed. Otherwise, a single arbitrator shall be employed. The arbitrators may not award punitive damages, and each party waives any right it may have to seek or recover punitive damages. The prevailing party shall be entitled to recover its costs and reasonable attorney's fees. The proceedings shall be conducted in a manner that is private and confidential. The provisions of this section shall survive the termination of this Agreement. Furthermore, the aggregate liability under this Agreement, if any, of either party to the other for claimed losses or damages shall not exceed \$20,000,000. This provision applies to the fullest extent permitted by applicable law.

# 10. Confidentiality.

- (a) During the term of this Agreement and for a period of five years after termination of this Agreement, the Company shall keep confidential all trade secrets and other proprietary or confidential information of OHA and OHA Members that is furnished or made available to the Company, and shall not divulge it to others. Such confidential information shall include information of OHA and OHA Members relating to finances, methods of operation and competition, pricing, marketing plans and strategies, managed care contracting strategies, equipment and operational requirements and information concerning personnel, referral sources, patients and suppliers, unless such information (i) is or becomes generally available to the public other than as a result of disclosure by the Company, or (ii) is required to be disclosed by law or by a judicial, administrative or regulatory authority. The Company shall not use such information except in performing its obligations under this Agreement.
- (b) During the term of this Agreement and for a period of five years after termination of this Agreement, OHA shall keep confidential all trade secrets and other proprietary or confidential information of the Company that is furnished or made available to OHA and shall not divulge to others. Such confidential shall include information of the Company relating to such matters as pricing and pricing strategies; methods of operation and competition; marketing plans and strategies: operational requirements: information concerning customers; and other confidential information, unless such information (i) is or becomes generally available to the public other than as a result of a disclosure by OHA, or (ii) is required to be disclosed by law or by a judicial, administrative or regulatory authority. OHA shall not use such information except in performing its obligations under this Agreement.
- 11. <u>Disclaimer of Intent to Become Partners</u>. This Agreement does not create, nor shall it be construed as creating, a partnership, joint venture, or the relationship of employer and employee between OHA and the Company. Each party is performing its obligations under this Agreement as an independent contractor.
- 12. <u>Assignment</u>. OHA may assign its rights and delegate its duties to a wholly-owned subsidiary without the consent of Company. Company may only assign its rights or delegate its duties under this Agreement with the prior written consent of OHA. Notwithstanding, Company may assign this Agreement to an entity that is affiliated to it by common control or ownership without written consent.
- 13. <u>No Third-Party Beneficiaries</u>. This Agreement is not intended to confer any right or benefit upon, or permit enforcement of any provision by, anyone other than the parties to this Agreement.

- 14. Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision.
- Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective legal representatives, successors, and permitted assigns.
- 16. Governing Law. This Agreement shall be governed by, and construed in accordance with, Oklahoma law.
- 17. Amendments. This Agreement may not be amended except by an instrument in writing signed by the Company and OHA.
- 18. Notices. Any and all notices, consents, or other communications required or permitted to be given by one party to the other shall be deemed to have been properly given if in writing and personally delivered, transmitted by electronic means, or deposited in the United States first class mails, postpaid, to the addresses set forth below the signatures of the parties.
- 19. Rights Cumulative; No Waiver. No right or remedy conferred in this Agreement on or reserved to either OHA or the Company is intended to be exclusive of any other right or remedy. Each and every right and remedy shall be cumulative and in addition to any other right or remedy provided in this Agreement. No waiver of a breach of any provision of this Agreement shall be construed to be a waiver of any other breach of the same or any other provision. No delay in acting with regard to any breach of any provision of this Agreement shall be construed as a waiver of the breach
- 20. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to its subject matter, and supersedes all prior agreements and understandings between them.

COMPANY:
OCTURE TOTAL

OHA:

GALLAGHER BENEFIT SERVICES, INC.

Address: Zo1 W. 103 ed St, Svite 505

Indianapolis, IN 46290

Email: Scott\_ringold@ajq.com

OKLAHOMA HOSPITAL ASSOCIATION. an Oklahoma nonprofit corporation

Craig W. Jones, President

4000 Lincoln Boulevard Oklahoma City, OK 73105

Email Jones a OKoha. com

## Exhibit A

In accordance to Paragraph 1.5 of the Agreement:

#### **Products and Services**

The Company has been approved by OHA to offer and sell the following products and/or services to OHA Members as part of PPN:

- TransEngen Revenue Maximizer Family of Solutions
- ACI 340B Contract Pharmacy Program

#### **Fees**

The Company agrees to pay OHA a percentage of the gross revenue received from business with OHA members that Company receives as follows:

- TransEngen Revenue Maximizer Family of Solutions 10 per cent (10.00%)
- ACI 340B Contract Pharmacy Program 33 and 1/3 per cent (33.33%)

#### Exhibit B

## Compensation

The Company agrees to pay OHA as set forth in this Exhibit B.

- (a) With respect to the Company's sale of Products and Services to OHA Members, beginning 6 months after the execution of this agreement, the Company shall pay to OHA a minimum compensation of \$4,000 per year. For each calendar quarter, the Company shall pay OHA, an amount equal to the greater of (a) \$1,000, or (b) the applicable percentage of the Company's gross revenues attributable to its sale of Products and Services to OHA Members during the quarter ("Gross Sales") received by Company as set forth in Exhibit A.
  - (b) The Company shall pay the compensation to OHA as follows:
- (i) Six months after the execution of this Agreement, the Company shall pay \$1,000 for the first calendar quarter, which shall be prorated if the first period is less than three months.
- (ii) Thereafter, the Company shall pay \$1,000 on or before the first day of the quarter.
- (iii) The Company shall furnish a quarterly report (described in Section 3 of the Agreement) detailing its sales of Products and Services to OHA Members during the quarter. If the amount due OHA from Gross Sales (from (a) above) is greater than \$1,000 for the quarter, the Company shall pay OHA the difference on or before the 15<sup>th</sup> of the month following the end of the calendar quarter. For example, the Company would pay OHA \$1,000 on January 1. If at the end of the quarter (March 31) the Company's amount due OHA (form (a) above) was \$1,600, the Company would pay OHA the additional amount of \$600. If the Company's amount due OHA (from (a) above from gross sales was \$800, no further amount is due and owing by the Company nor is any refund due from OHA.
  - (iv) The Company shall submit payment to:

Oklahoma Hospital Association Dept. #96-0298 Oklahoma City, OK 73196-0298

(c) OHA reserves the right to assess a late fee of 1.5% per month on any outstanding amounts due and owing to OHA from Company if such amount is received later than the date due.