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*This FAQ document is intended to provide you with general information about Civica and its applicable governing documents, including its Bylaws, various membership agreements, and the MVV Agreement (as defined below) (collectively, the "Governing Agreements"). Please note that this document is not intended to provide you with legal or tax counsel or constitute legal, tax or financial advice. If you require legal, tax or financial assistance in connection with a proposed membership in Civica, please consult an attorney, tax professional or qualified financial advisor, as appropriate. In the event of any inconsistency between this FAQ document and the Governing Agreements, the terms of the Governing Agreements will control.*

**1. Why are you doing this?**

In short, our health system partners needed accessible, reliable drugs at an appropriate price so that we can assure we are taking the best care of patients. The best way to do this is to create medication supply that delivers on the patient's requirements.

**2. What is your mission / vision?**

Civica's mission is to "ensure that essential generic drugs (drugs that satisfy the priority health care needs of the population) are available and affordable to everyone". Civica's vision is to "be a model generic drug company by providing high-quality FDA approved products at affordable prices". Civica's values include: Safety, Quality, Accessibility, Affordability and Fairness.

**3. What is the reduction in cost per drug?**

This is entirely drug dependent. For some drugs, we will see a significant price decrease because of market manipulation. For some drugs, we may need to increase the price to assure we can produce the drug consistently and reliably. However, for most drugs the total hospital drug purchase price will be lower than the current cost of medications.

**4. How is Civica different than GPOs?**

First, we will eventually own the Abbreviated New Drug Applications (ANDAs) for the products that we sell. This means that we will have the ability to control the quality and the supply of the product to meet our hospital partner needs. Second, our hospital systems determine which medications we prioritize so that we are focusing on very specific drugs that make a significant difference to our patients.

**5. How are GPOs, wholesalers and specialty pharmacies responding to your disruptive approach?**

For the most part, we have been pleasantly surprised at the response. We are focusing on essential drugs that are on shortage. Everyone wants to assure that we are preventing patient harm by creating a sustainable, affordable supply of these medications.

**6. How will Civica prevent drugs shortages for its products?**

First, we will enter into long-term contracts with both our health system partners as well as our manufacturing partners. This will allow us to set the demand and assure that we have dedicated manufacturing capacity for the drugs we require.

Second, we will enter into these contracts with multiple partners which allows us to assure that we have redundancy for our drug products and can manufacture in more than one location.

Third, we are working with Contract Manufacturing Organizations (CMOs) and other partners that are expanding their capacity and entering into partnerships to utilize this new capacity for essential medications – this increases the overall manufacturing capacity in the market place.

**7. Making drugs is difficult. How do the member health care and hospital systems plan to succeed?**

Agreed. We are hiring pharmaceutical executives who hold the same belief that serving patients is a privilege. We are bringing their expertise to Civica to assure that we are effectively and efficiently making high-quality, sustainable drugs.

**8. What drugs does Civica plan to produce?**

For competitive reasons, we will be releasing Civica's drug pipeline at a later date.

**9. When are you going to deliver product?**

This is also drug dependent, but we do expect to have our first drug to market in 2019.

**10. Who picks the drugs?**

This hospital systems that sit on our Drug Selection Advisory Committee pick the medications for prioritization. These drugs are approved by the governing board and the management team.

**11. How do we get a drug on the list? Who decides?**

Civica will have representation from 25 nationwide health systems on our board. These health systems prioritize the drugs that are selected for review. The governing board and the management team has final approval on the drugs Civica will manufacture. We expect that most shortage products are already on our list, however, please contact us through our website if you would like to add a medication to our drug selection review process.

**12. Are you building a manufacturing site? If so, where?**

We expect to eventually build a manufacturing site in the United States.

**13. Where are the headquarters for Civica? Salt Lake City, Utah**

**14. Why Salt Lake City?**

1. Utah is a great state for start-ups.
  - a. Utah is a business-friendly environment, uniquely positioned for start-up companies that expect significant growth.

- b. Utah has a great pipeline for young emerging talent. Two local universities, Brigham Young University and University of Utah, have impressive graduates, many of whom want to stay in the state.
  - c. The Beehive State also boards inexpensive real estate, which makes it an easier place to start a business.
  - d. Utah's landscape has proven to be a great selling point
2. Utah is assessing the infrastructure required for an inland port – which refers to a logistics and distribution hub inland from coastal seaports. This will allow Civica to capitalize on the distribution capability built into the state of Utah.
  3. There is an existing generic drug infrastructure in Utah. For instance, Teva has a presence in Utah.

**15. What does the FDA think of this?**

We think their response will be positive. We are focusing on areas that they have publicly stated need innovation and change for our patients. We are meeting with them in the next two weeks.

**16. Therapeutic area of focus?**

We will focus on hospital-based products. They will span many different therapeutic areas of focus.

**17. Will you develop products internally?**

Yes. Where a partner does not exist for a generic medicine that is essential to our patients, we will do the research & development required to bring that product to market.

**18. With which GPOs are you going to partner?**

We do not have any signed GPO partnership agreements at this time.

**19. With which generics are you going to partner?**

For competitive reasons, we are not going to disclose that information; however, we are actively working with 4-5 high quality generic manufacturers on what a partnership arrangement could look like.

**20. How are you going to distribute drugs?**

We are not prepared to talk through drug distribution at this time.

**21. How will you price the medications?**

Civica will have a single price for all of its members. This means that the smallest critical access hospital will have the same price as a 200+ hospital system. This price will be transparent so that our health system partners know exactly what they are paying for patient medication.

**22. How will you address API/product sourcing?**

We prefer to buy from the United States and will then partner outside of the United States as appropriate.

**23. Why do you prefer the US?**

We have been in consultation with the Veterans Administration and want to be a supplier for the Veterans Administration. This, for many drugs, requires U.S. sourced / manufactured pharmaceuticals. Secondly, for US based products / API, we will see a shorter supply chain and faster cycle times for the drugs we produce.

**24. Is the Veterans Administrations a member?**

No, the Veterans Administration cannot sit on the Civica board nor be a member. However, they have been key partners and advisors through the entire development of Civica. We expect to follow the existing process for becoming a Veterans Administration supplier and appropriately meet the needs of our Veterans Administration colleagues.