



Annual Benefit Report

For period ending December 31, 2018

Certified



Corporation™

bcorporation.net

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Ventegra's Pursuit of Public Benefit

Ventegra is proud to be a Benefit Corporation as we strongly believe healthcare is a societal good. Our business model focuses on our strength and knowledge of the healthcare industry to provide administration of pharmacy benefits and services in a manner that is different than the traditional Pharmacy Benefit Management (PBM) business model. Our process incorporates the integrity, transparency and cost efficiency associated with Benefit Corporations, which returns value to our clients, providers, industry, and patients. In 2018, Ventegra's transparent business model, growth, operations, philanthropic engagement, and company structure created a general public benefit.

A Benefit Corporation is a legal corporate status that allows businesses to write their greater purpose and mission into the foundation of the company. In following a triple bottom line model (People, Planet and Profit), this new type of corporation must consider non-financial interests when making decisions; such as social benefit and environmental impact. Ventegra's Benefit Corporation status reflects our company culture and the clients we attract, enhances our company manifesto (see Exhibit A), and allows us to further channel our resources to greater impact and improve the lives of others.

Our company's operations demonstrate our commitment to being environmentally conscientious. In 2018, 100 percent of company cars were hybrid or hydrogen fuel cell, and we have a company commitment to use all electric and alternative energy sources as the technology matures. In addition, the virtual nature of our company, in which every member of our team has the opportunity to work remotely, reduces our carbon footprint by eliminating traditional daily commutes for our team. This also provides a benefit of flexibility to our employees, allowing them to support the needs of their families more easily. In addition, our virtual nature also enhances our ability to be productive using the latest telecommunications technology with our clients and industry partners, indirectly impacting their carbon footprint as well.

Ventegra actively participates in social causes, contributing more than \$5,000 in 2018 to numerous fundraising activities and charities, including sponsoring a Bike MS team in the October 2018 ride, which supports the National Multiple Sclerosis Society. In 2018 we actively and consistently volunteered as a team for Illumination Foundation events, whose mission is aligned with ours; to improving the lives of others. In the past calendar year Ventegra team members also volunteered more than 800 hours individually to causes important to them. Ventegra rewards and encourages volunteering by providing employees with up to 24 hours of paid time off (as Volunteer Time Off or "VTO") each year to be used for volunteering during work hours. To enhance our social impact further, we have a commitment to not outsource our Customer Service and Information Technology/Information Systems departments. We also feel strongly that a varied customer base, including state and government programs representing the underserved, provides a societal impact in our industry and we are committed to maintain a diverse client base. In these ways, we improve the lives of others furthering our company mission.

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To demonstrate our commitment to these values, we have chosen to obtain a California Small Business certification; become an Illinois Business Enterprise Program Vendor, a California Benefit Corporation; become a certified B Corporation through B Lab, and have become certified by the Minority Suppliers Development Council. In addition, where possible we are committed to using local and B Corp vendors to further lessen our environmental, and enhance our social impact.

We are pleased to have met our public benefit purpose in 2018, and we look forward to future opportunities and growth in 2019 as we continue to seek innovative ways to improve the lives of others.

Improving Human Health

In 2018 our mission to improve human health was specifically furthered by growth in the segment of our client base serving underinsured/uninsured populations. One hundred percent of the savings created by Ventegra's transparent business model is passed through to our clients servicing these uninsured/underinsured individuals. By eliminating the hidden margins and spreads commonly seen with traditional Pharmacy Benefit Managers (PBMs), we are fostering the transparency of our industry as well as ensuring that health care costs are better managed for both our clients and their patients. Most importantly, by providing full integrity around prescription claims detail on a timely basis, our clients are able to confirm transaction detail to address financial and compliance requirements.

More broadly, our commitment to be environmentally and socially engaged will improve overall human health on a long-term basis. In this way we are also improving the lives of others.

Challenges

Change is not always welcomed nor understood. Ventegra's business model reduces costs, which may be the source of another business' (and their supporters' or handlers') revenue. It is our view that reducing costs is a necessary change that will benefit the industry, employers and public. This resistance to improving how pharmacy benefits are administered has slowed, but not hindered, our mission to improve human health. As the Ventegra movement gains momentum and our philosophy is heard by individuals who share our frustration with traditional PBM business models, we are finding that like-minded businesses are seeking us out. We look forward to continued growth and progress in the coming years.

Quantification of Progress

We are a certified Benefit Corporation through a third party, B Lab. B Lab is a non-profit entity that quantifies how companies are meeting social and environmental targets. B Lab has provided us with a tool that we used to prepare our 2018 benefit report. This standard is calculated by an in-depth assessment, which breaks down and reviews all operations of a business. This assessment quantifies how

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a business is meeting environmental, employee, community, and governing standards. Businesses must score 80 out of 200 points to attain certification as a B Corp. Ventegra scored an 87.9 in 2016 and we will be retaking the assessment in 2019. We are proud to have been a certified B Corp for over 4 years (see Exhibit B). We chose this third-party standard based on to their objective, comprehensive and quantifiable approach, and our shared vision to be a force for good in business.

No financial or governance relationship exists between B Lab and Ventegra that could materially affect the use of the B Lab standard by Ventegra. B Lab is an independent and unbiased third party, and the assessment is objective in nature and utilizes global standards, processes, and metrics that provide consistent and comparable results. The B Lab scoring metrics are used by thousands of companies worldwide. We look forward to showcasing our progress based on the B Lab metrics and are proud to transparently share our scores.

Looking Ahead

Ventegra remains committed to the standards and vision promoted by the Benefit Corporation movement. These standards and vision underpin the Ventegra business model and our culture, and form the foundation for our alternative, innovative solution in healthcare. As we believe healthcare to be a societal good, Ventegra remains committed to providing a solution that addresses the appropriate balance of healthcare access, cost, and quality for the clients and patients we serve.

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Exhibit A

Ventegra Manifesto

Ventegra is committed to seeking innovative ways to channel our resources for a greater impact to improve the lives of others. The principles below guide us as we strive for excellence - to our team, our clients, and our partners.

- We will value our *relationships* and show *respect*, always
- We will actively *participate*; your thoughts and actions can make a difference
- We will be *proactive*, not reactive
- We will do what is *right* and be always mindful of the *whole*
- We will be *accountable*. Be *responsive*. Be *engaged*.

Always remember that our work begins and ends with Truth and Integrity.
It is our name; it is our core; it is how we do business.



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Exhibit B



Ventegra 2016 B Impact Report

Overall B Score	87.9 pts
Governance	16.9
Mission & Engagement	1.4
Corporate Accountability	0.9
Ethics	1.1
Transparency	3.6
Workers	25.9
Compensation & Wages	9.5
Benefits	8
Training & Education	1.4
Worker Ownership	0
Management & Worker Communication	3.4
Job Flexibility/Corporate Culture	3.6
Community	19.8
Job Creation	3.1
Diversity & Inclusion	4.6
Civic Engagement & Giving	6.3
Local Involvement	3
Suppliers, Distributors & Product	2
Environment	12.6
Land, Office, Plant	11
Inputs	0
Outputs	0.7
Customers	12.7
Products and Services	12.7



**** Numbers in bold may or may not equal subcategories, depending on algorithm for specific category.

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