

COUNCIL OF INSTITUTIONAL INVESTORS

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May 21, 2007

Edwin M. Crawford
Chairman
CVS/Caremark Corp.
One CVS Drive
Woonsocket, RI 02895

Dear Mr. Crawford:

I am writing on behalf of the Council of Institutional Investors, an association of 140 corporate, public and union pension funds with more than \$3 trillion in pension assets. The Council requests that the CVS/Caremark board disclose the uninstructed broker votes that were included in the total of votes "FOR" Roger L. Headrick in the company's May 9, 2007 director elections. The Council believes that the proper vote should be one that excludes such broker votes, and urges you and fellow CVS/Caremark board members to act accordingly.

As you are aware, there is considerable confusion among CVS/Caremark shareowners about whether the 606,585,338 votes for Mr. Headrick that the company reported in a May 16, 2007 8-K filing include votes cast by brokers on behalf of uninstructed client shares. The filing shows that Mr. Headrick received 56% of the votes cast. But it also appears that he would have failed to win reelection, under CVS/Caremark's majority-vote standard for director elections, if uninstructed broker votes had not been included in the "FOR" tally.

The Council of Institutional Investors has long opposed New York Stock Exchange Rule 452, which allows brokers to vote on certain "routine" proposals—including the uncontested election of directors—if the beneficial owner has not provided voting instructions at least 10 days before a scheduled meeting. The Council believes that allowing brokers to cast votes for uninstructed shares skews voting results and is akin to stuffing the ballot box. Our members are pleased that the NYSE proxy voting group has recommended the elimination of such votes for the election of directors.

The issue of uninstructed broker voting in director elections is still pending at the NYSE and the Securities and Exchange Commission is not expected to consider the matter until later this year. Still, CVS/Caremark's adoption of majority voting for director elections makes inclusion of uninstructed broker votes highly inappropriate because they can tip the outcome against the preference that shareowners have expressed.

Please contact me if you would like to discuss this further.

Thank you very much.

Sincerely,

A handwritten signature in blue ink that reads "Amy Borrus". The signature is fluid and cursive, with the first name "Amy" being more prominent than the last name "Borrus".

Amy Borrus
Deputy Director
Council of Institutional Investors

cc: Edwin M. Banks, director, CVS/Caremark Corp.
C. David Brown II, director, CVS/Caremark Corp.
David W. Dorman, director, CVS/Caremark Corp.
Kristen E. Gibney Williams, director, CVS/Caremark Corp.
Roger L. Headrick, director, CVS/Caremark Corp.
Marian L. Heard, director, CVS/Caremark Corp.
William H. Joyce, director, CVS/Caremark Corp.
Jean-Pierre Millon, director, CVS/Caremark Corp.
Terrence Murray, director, CVS/Caremark Corp.
C.A. Lance Piccolo, director, CVS/Caremark Corp.
Sheli Z. Rosenberg, director, CVS/Caremark Corp.
Thomas M. Ryan, director, CVS/Caremark Corp.
Richard J. Swift, director, CVS/Caremark Corp.