

## Returned Goods Policy

### GENERAL POLICY

Subject to the terms and conditions of this Returned Goods Policy, non-refrigerated product in "merchantable condition" (as defined below) may be returned to the McKesson Specialty Care Distribution LLC (the "Distributor") facility from which the product was originally purchased if the return request is made within **two (2)** business days of receipt of the order being delivered.

### MERCHANTABLE CONDITION

Merchantable condition will be determined by the Distributor's ability to return the item to its inventory for resale in the normal course of its business without special preparation, testing, handling or expense. Additionally, for each returned product, the customer must complete the applicable written certifications as specified on Distributor's Ongoing Assurance (OGA) form.

The following represent items that are **non-returnable**:

- A. Refrigerated product is not eligible for return to Distributor.
- B. Any item which has been used, or opened, is only partially complete, stickered, marked, damaged, defaced, or is without all original packaging, labeling, package inserts, or operating manuals.
- C. Short-dated (e.g. less than 90 day's shelf life), outdated, or seasonal product.
- D. Product purchased from other wholesalers, or other sources.
- E. Any item purchased on a "special order" basis, including non-stock orders and drop shipments.
- E. Any sterile merchandise, unless Distributor is specially assured that such merchandise was properly stored and protected at all times and such merchandise is returned separately in a package marked as such. Product must be accompanied by customers signed, certified OGA, as part of the Return Materials Authorization (RMA) form.
- F. Frozen product is not eligible for return to Distributor. However, Distributor will assist the customer in coordinating a return when specific circumstances as defined by manufacturer allow product to be returned.
- G. Any low stability product that is unusually sensitive to temperature and handling conditions.
- H. Any product not intended for return to a wholesaler in accordance with the return policies of the applicable manufacturer.
- I. Narcotics and other controlled substances are non-returnable.
- J. Federal and State drug pedigree laws may prohibit the return of product that is otherwise potentially valid for return. In general,
  - 1. Distributor will only accept non-expired product purchased from Distributor directly as evidenced by invoice and lot number;
  - 2. All product must be returned within seven (7) calendar days of product purchase. (It being understood that the product return request must be made within two (2) business days of receipt of the order being delivered.)
- K. Product returned pursuant to a voluntary or involuntary Manufacturer Recall may have different requirements. In the case of a recall, Distributor will document any changes to policy specific to that product.

### CREDIT AMOUNT

Credit for authorized returns will be issued upon receipt of product and verification of return eligibility. Credit amount to be issued is determined by the type of return.

Type of Return	Credit to be Issued
Authorized Saleable Return, with copy of invoice/packing slip .....	100% of purchase price
Authorized Saleable Return, without copy of invoice/packing slip .....	85% of purchase price
Authorized Expired Return .....	75% of purchase price
Unauthorized Return .....	No credit issued

## Returned Goods Policy, continued.

### **UNAUTHORIZED OR UNMERCHANTABLE PRODUCT**

Returns received without prior authorization or containing items not eligible for return in accordance with Distributor's Policy will not be accepted and will be returned to customer at customer's expense.

### **SHORTS AND DAMAGED MERCHANDISE**

- A. Claims of order shortages (e.g., invoiced but not received) and damages must be reported within **two (2)** business days of receipt of goods.
- B. All claims of shortage will require inventory verification. If a shortage is not validated during the cycle count process, credit will not be issued.
- C. Controlled substance discrepancies must be reported immediately upon receipt of order per DEA regulations.

### **PRICING DISCREPANCIES**

Pricing and other errors/mistakes must be reported within **ten (10)** business days from the invoice date.

## Expired Drug Return Policy

- A. Only product purchased from Distributor will be accepted for credit and/or return.
- B. Distributor will accept expired drugs for return in accordance with Distributor Expired Return Policy and the individual manufacturer's expired drug policy. Distributor's General Policy for expired drug return includes:
  - 1. Full units, no partials
  - 2. No damaged products
- C. Expired product may be returned for credit only with prior authorization from Distributor. Please call 800.482.6700, option 2, to request an Expired Product Authorization (EPA) form. A Customer Service Representative will email or fax the form for completion.
- D. Please note that manufacturers set their own individual time period constraints, and Distributor will abide by the manufacturer policy for expired drug returns.
- E. Distributor will review a customer's completed EPA form and determine which drugs are eligible for return. This will be communicated to the customer.
- F. Distributor will issue credit at 75% of the customer's original acquisition price for expired product purchased through Distributor that is deemed eligible for return and/or credit.
- G. Credit will be issued once a completed form and expired drugs are received and processed by the Distributor warehouse.
- H. Deductions from payment of invoices are not allowed.
- I. The customer is responsible for scheduling the return and for any return freight expenses on expired goods.

## Required Return Procedures

Fully completed RMA and OGA forms must accompany all merchandise to be returned. The OGA must be signed by a financially responsible person at the practice or by his /her delegate where written documentation of delegation exists. Each RMA form must include the information below. If this information is inaccurate or is incomplete, please contact Customer Service:

- A. Customer name, address and account number (as it appears on the invoice);
- B. Name and address of the Distributor facility to which the return is made;
- C. "Ship to" address if different than "Bill to" address;
- D. Distributor invoice/order number and date;

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- E. Product item number, quantity, form/size, description, lot number, serial number, and expiration date; (Note: A copy of the Distributor invoice and packing slip will provide this information.)
- F. Purchase order number, if applicable;
- G. Reason for return; and the date of the return.

Distributor will arrange for pick up of product, and pay freight for all items shipped in error. Non-refrigerated items approved for return due to customer order error, overstock, and/or expired products must be returned with freight pre-paid.

Return merchandise must be placed in a proper shipping container and, for merchandise valued at more than \$250, signed for by the carrier/driver when the product is picked up.

All return forms will be reviewed by Distributor for compliance with its Returned Goods Policy. The validation, valuation, and acceptance of any return are at the sole discretion of Distributor and/or the manufacturer. Any credit or similar offsets may be taken only as previously approved by Distributor (as evidenced by the issuance of a valid credit memo), and may not be otherwise taken or deducted by the customer.

If product returned to Distributor is not the product specified on the RMA (Quantity, NDC and LOT number), credit will not be issued and product will be returned to the customer at customer's expense.

### **ONGOING ASSURANCE**

Prior to returning any product to Distributor, each customer must execute and deliver to Distributor an OGA verifying that all returned merchandise has been kept under proper conditions for storage, handling, and shipping as required by applicable state and Federal requirements (e.g. state Board of Pharmacy regulations, 21 CFR § 203, 205, and other applicable regulations). The OGA must be signed by a financially responsible person at the practice or by his /her delegate where written documentation of delegation exists.

THIS POLICY IS SUBJECT TO CHANGE WITHOUT NOTICE BY DISTRIBUTOR. THIS POLICY IS FURTHER SUBJECT TO MODIFICATION AS DISTRIBUTOR MAY DEEM NECESSARY OR APPROPRIATE TO COMPLY WITH APPLICABLE FEDERAL AND/OR STATE LAWS, RULES AND REGULATIONS, FDA GUIDELINES, AND ANY OTHER RESTRICTIONS APPLICABLE TO RETURNED MERCHANDISE. PLEASE CONTACT YOUR ACCOUNT EXECUTIVE TO ADDRESS ANY CIRCUMSTANCES THAT ARE NOT OUTLINED HEREIN.