

Purdue and Associated U.S. Companies

ONE STAMFORD FORUM, STAMFORD, CT 06901-3431 – TELEPHONE: (203) 588-5000 FAX: (203) 588-8850

RETURN GOODS POLICY FOR PRESCRIPTION PRODUCTS

Effective October 1, 2018

This Return Goods Policy for prescription products supersedes and/or serves as notice of termination of any previous agreement or policy, whether written, oral, or established through course of dealing between Purdue and customer with respect to the subject matter and products hereof.

This Return Goods Policy is for all prescription products distributed by Purdue Pharma L.P. or any associated U.S. company (“Purdue”).

Prescription Product Return and Credit Policy Procedures

Purdue endeavors to expedite proper crediting of our customers’ accounts for adjustments and returns of merchandise. **In no event is a customer to take a deduction for returned merchandise without a properly issued and approved credit memo.**

All merchandise returns require prior authorization. The customer must prepay freight for all returns; Purdue does not accept collect returns. If the return is due to a shipping error, damage in-transit, or involves a defect product, the customer will be credited for freight charges via credit invoice.

1. Purdue Return Goods Agent:

- 1.1. MedTurn is the Purdue return goods agent. Parties returning eligible Purdue return goods product to MedTurn do not incur any processing fees or service charges, except as noted above. Purdue will be responsible for the associated costs for return goods processing and product destruction, except to the extent returned items are not Purdue products.
- 1.2. MedTurn will accept Purdue return goods shipments from other third party return goods processors; however, any and all costs charged by a third party, other than the anticipated value of the eligible return goods delivered to MedTurn, are the responsibility of the customer and Purdue will not be responsible for payment or credit of such costs.
- 1.3. Purdue will not credit or accept charges/deductions for administrative, handling, or freight charges associated with the return of product to Purdue, the Purdue return goods agent or any other third party return goods processor.
- 1.4. Purdue will not be responsible for the associated cost to ship return goods from any customer or third party to MedTurn. MedTurn may refuse any return goods shipments sent COD (collect on delivery). All products shipped to MedTurn will be shipped in a safe, secure, and reliable manner, and in compliance with all applicable federal, state and local laws, regulations and statutes. It is the shipper’s responsibility to securely package all return goods to prevent breakage during transit and otherwise comply with laws and regulations applicable to the packaging, shipping and transport of return goods shipments. Broken product containers that do not contain any viable product are NOT to be shipped to MedTurn. If any such containers are shipped to MedTurn they will be disposed of and will not be reported as a product return. Purdue is not responsible for shipments lost and/or damaged in transit. Purdue recommends that all customers insure return goods shipments.

2. Return Authorization Procedure:

- 2.1. **All product returns to Purdue require prior authorization.**

- 2.2. **Non-Direct Purchases** – Product should be returned to your wholesaler/distributor, or a contracted 3rd party reverse distributor. Credit will be issued through your wholesaler/distributor.
- 2.3. **Direct Purchases** – A Return Authorization (and DEA Form 222 for Class II products) must be obtained by contacting Purdue’s return goods agent, MedTurn/Inmar, as follows:
 - 2.3.1. By Website: <https://CLSNetlink.com> (upload a PDF of your Debit Memo), or
 - 2.3.2. By FAX: 1-817-868-5343, or
 - 2.3.3. By E-mail: rarequest@inmar.com
 - 2.3.4. The Return Authorization (“RA”) request must include an invoice/debit memo, contact name and email address, and a detailed list of all prescription items; including product name, NDC number, lot number, expiration date, quantity requested to be returned, and reason for return.
 - 2.3.5. The assigned Return Authorization number must be referenced on the freight bill or packing slip document for each carton returned; this will expedite the credit process.
 - 2.3.6. For any questions regarding return goods authorizations, please contact MedTurn at 1-800-967-5952 or 1-817-868-5300.

NOTE: A RETURN GOODS AUTHORIZATION ISSUED BY PURDUE OR PURDUE’S RETURN GOODS AGENT IS BASED UPON UNCONFIRMED REPRESENTATIONS MADE TO PURDUE OR PURDUE’S RETURN GOODS AGENT AND IS NOT INTENDED TO BE A GUARANTEE OF CREDIT OR A BASIS FOR RELYING UPON CREDIT.

3. **Return Goods Eligible for Credit:**

Purdue will have the right to determine, in its sole discretion, whether returned product is eligible for credit. The following return goods are eligible for credit:

- 3.1. Product in its original container, bearing its original label and for which the lot number and expiration date are legible.
- 3.2. Product returned within six (6) months prior to and twelve (12) months past expiration date. Product expiration occurs on the last day of the month of the expiration noted on the product.
- 3.3. Product returned due to customer ordering error if reported within five (5) business days.
- 3.4. Product returned at Purdue’s request.
- 3.5. Products returned due to shipping errors, quantity delivered is greater than quantity ordered, or damaged in transit, if reported within five (5) business days.
 - 3.5.1. Note: All orders are double-checked before shipment to prevent concealed shortages. Claims for concealed shortages will only be processed for credit if the shortage is verified against shipping records.
- 3.6. Newly launched product in its original intact and unopened container returned between six (6) months and twelve (12) months following the date of original invoice. For a return to be considered a new product return, the original purchase (direct or non-direct) must be within sixty (60) days of Purdue’s first shipment of the product.

4. **Return Goods Not Eligible for Credit:**

Purdue reserves the right to decline credit and destroy all products returned, which Purdue determines, in its sole discretion, are not eligible for credit.

The following return goods are not eligible for credit:

- 4.1. Product returned with greater than six (6) months until expiration. Product expiration occurs on the last day of the month of the expiration noted on the product.
- 4.2. Product returned more than twelve (12) months past the product's expiration date.
- 4.3. Product in which the lot number and/or expiration date is missing, illegible, covered, and/or unreadable on original container.
- 4.4. Product that has been involved in a fire sale, bankruptcy sale, or similar type of sale.
- 4.5. Product that has been damaged subsequent to delivery due to improper storage or handling, exposure, or other conditions beyond the control of Purdue.
- 4.6. Product that was sold expressly on a non-returnable basis.
- 4.7. Product that is not in its original container and/or not bearing its original label.
- 4.8. Product that is in its original container with a prescription label attached and/or container has been opened.
- 4.9. Product that has been repackaged, customer-specific labeled, or private labeled.
- 4.10. Product distributed by Purdue at no charge, including professional samples.
- 4.11. Product purchased on behalf of other manufacturers, institutions, contract research organizations, or others for use in clinical trials or studies, Phase IV studies, or for charitable donations.
- 4.12. Product obtained illegally or via diverted means.
- 4.13. Product purchased on the "secondary source" market or from a retailer or distributor who is not a Purdue Authorized Distributor of Record.
- 4.14. Product that Purdue determines, in its sole discretion, is otherwise adulterated, misbranded, or counterfeit.
- 4.15. Anything returned that is not a Purdue prescription product.

5. Credit Policy:

- 5.1. Credit will be issued based on the actual number of tablets, patches, or milliliters returned/destroyed/surrendered.
- 5.2. Credits are intended to cover reimbursement for the cost of the goods, and no other separate payments shall be provided otherwise.
- 5.3. Credit Amounts
 - 5.3.1. Products that are eligible for credit will be credited at the lower of (a) the prevailing Purdue wholesale acquisition cost* under which units of the specific lot number of the returned product were sold, or (b) the contract price in effect at the time the product was sold.
 - 5.3.2. Products returned due to customer ordering errors will be credited at 95% of the price listed on the Purdue invoice.
 - 5.3.3. Products returned at Purdue's request will be credited at 100% of current wholesale acquisition cost* or current contract price.

*This represents the list price available to all authorized (or eligible) classes of trade that purchase directly from Purdue. This price does not include any discounts (including prompt-pay discounts, stocking or distribution allowances, rebates, or chargebacks) available to wholesalers or any other customers.

5.4. Credit Memos

- 5.4.1. All credits will be paid via credit memo.
- 5.4.2. Indirect purchasing customers will receive credit through their wholesaler/distributor.
- 5.4.3. Any right of set-off for return goods shipments may only be exercised by direct purchasing prescription accounts following receipt of a properly issued credit memo.
In no event is any customer permitted to take a deduction for returned products without a properly issued credit memo.

6. Return Goods Procedure

Purdue products will either be returned to the Purdue return goods agent or destroyed and disposed of at a certified facility.

6.1. Return Goods Shipment:

- 6.1.1. Products returned to Purdue's return goods agent must be returned in accordance with Federal and State regulations governing the transfer of these substances.
- 6.1.2. A completed DEA 222 form must accompany the return goods shipment of any Class II products.
- 6.1.3. Please include the following information with the return goods shipment:
 - 6.1.3.1. The assigned Return Goods Authorization number must be referenced on documentation accompanying the return goods shipment.
 - 6.1.3.2. Return originator name, mailing address, and DEA number (for processor batch returns, each return originator must be provided).
 - 6.1.3.3. Remit-To name and mailing address.
 - 6.1.3.4. Debit memo detail inclusive of debit memo creation date, product descriptions, NDC numbers, Lot number, expiration date, and quantity returned.

6.2. Return Goods Destruction

- 6.2.1. Any products destroyed and disposed of must be done so at a certified facility in accordance with DEA regulations.
- 6.2.2. Proof of destruction is required. In the case of controlled substance products, a fully executed DEA Form 41 must be submitted to Purdue Customer Service, along with the name and address of your wholesaler/distributor if an in-direct purchase.

7. Correspondence

Inquiries and correspondence other than remittances from ALL customers should be addressed to:

Purdue
Attn: Customer Service
One Stamford Forum
Stamford, CT 06901-3431

8. Product Quality Complaints

Product quality complaints including packaging defects must be reported to Purdue Product Quality Complaints at 1-888-726-7535 (select option #3).

9. Additional Information

- 9.1. Return goods shipments which are deemed to be outside of this policy will not be returned to the customer or the third party processor and no credit will be issued by Purdue for said product unless state or local law requires otherwise. Purdue and Purdue's return goods agent have the right to destroy any return goods in its custody.
- 9.2. The Purdue Return Goods Policy for prescription products is subject to change at any time and without prior notice to other parties.