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## RETURN GOODS & CREDIT MEMO POLICY

Effective 26 June 2018

Hikma Pharmaceuticals USA Inc. (Hikma) (formally West-Ward Pharmaceuticals Corp. (WW)) Return Goods & Credit Memo Policy applies to the return and/or credit of product purchased by a direct customer of Hikma's. This Policy also applies on returns from indirect customers that are returning through the wholesaler from original purchase sale. Hikma will only accept the return of product for consideration of credit or refund under the terms and conditions of this policy.

### RETURN GUIDELINES & PROCEDURES

- All Return Authorization (RA) requests should include:
  - Invoice/Debit Memo #
  - Contact Name & Email
  - Reason for Return
  - Product Name
  - Product Description
  - NDC #
  - Lot #
  - Exp. Date
  - Qty to be Returned

\*Requests for credit on damages must include a picture of the damage.

- All eligible requests for expired or recall related returns should be emailed to Qualanex, LLC at [CustomerService@Qualanex.com](mailto:CustomerService@Qualanex.com) for a RA.
- All other eligible requests for return should be emailed to Hikma at [usclaims@hikma.com](mailto:usclaims@hikma.com) for a RA
- Upon receipt of a RA, unless otherwise noted, all returns should be accompanied by the RA form and shipped pre-paid to **Qualanex, LLC** at:

**Hikma Pharmaceuticals USA Inc.**  
**C/O Qualanex**  
**1410 Harris Road**  
**Libertyville, IL 60048**

- All third party return processors must contact Qualanex, LLC for a RA.

### RETURNABLE PRODUCT

- Authorized expired product, which shall be defined as product returned within 6 months prior to the expiry date, or within 12 months thereafter, in full and unopened containers with a WW/Hikma label, purchased directly from Hikma and returned directly to Qualanex, LLC.
- Products shipped in error on the part of Hikma or damaged products with a W W / Hikma label, which are purchased directly from Hikma, provided that the RA request is made within ten (10) business days of receipt for non-controlled substances or within one (1) business day of receipt for controlled substances.
- Recalled product, as stated on the recall notice, which is returned directly to Qualanex, LLC.

## NON-RETURNABLE PRODUCT

- Partial units, except where mandated by state statute
- Products that are any of the following:
  - Private Label
  - Contract Manufactured
  - Repacked
  - Provided at No Charge
  - Promotional Sample
  - Phentolamine
  - Mefloquine
  - In-Date Overstock
  - >6 months remaining shelf life
  - >12 months beyond expiration
  - Not purchased directly from Hikma
  - Sold as short-dated
  - Donated
- Products damaged due to insurable causes.
- Products involved in fire, natural disasters, sacrifice, or bankruptcy sale.
- Products damaged/deteriorated due to improper handling or storage by the customer.
- Returns made thirty (30) days or more after the date of the RA.
- Products purchased or distributed contrary to federal, state or local laws.
- Product sold to any City, County, State and/or Federal entity for the purpose of stock piling directly by Hikma or through an authorized distributor of record.
- Sold on a non-returnable basis.

## TRANSPORTATION

- Transportation charges, including prepaid freight and insurance are the responsibility of the customer except when due to a Hikma error, as determined by Hikma and must be sent via traceable shipping. Hikma is not responsible for shipments lost in transit.

## CONDITIONS FOR CREDIT

- Returnable product received and verified by Qualanex, LLC or destroyed by customer's agent with prior Hikma approval within 30 days of RA receipt with a valid RA number are eligible for credit.
- Shelf Stock Adjustments will be credited based on purchases made within the last 12 months.
- Credits for Shelf Stock Adjustments are not issued on products out for destruction.

## VALUATION OF RETURNS & CREDIT MEMO'S

- Credit for all products purchased on a direct basis, will be calculated at the lowest net price, less any promotional credits including, but not limited to, shelf-stock adjustments, rebates, admin fees, or off-invoice discounts associated with the lot number of the returned product.
- Credit for all product purchased on an indirect basis must be returned through the wholesaler or distributor of purchase. Indirect returns will be credited through the wholesaler or distributor of purchase at the lower of current indirect price or average net indirect price at Hikma discretion.
- Hikma restricts credit only to what is validated by Qualanex. Any discrepancies in quantity will defer



to Qualanex validated quantities.

- For recalled product, current sale price will be credited to ensure replacement costs are covered
- Credit will be issued in the form of a credit memo only. Hikma will not accept deductions on cash remittances due from invoices in anticipation of credit.

### **THIRD PARTY PROCESSORS**

- Third party processors must comply with all requirements of this Policy. Hikma will not pay or reimburse any service fees to the purchaser or third party return processor, e.g. handling, processing, or freight charges incurred, etc.
- Hikma will not process returns using pricing from the third party's internally generated price list.

### **COMPANY DISCLAIMERS**

- Submission of the return product does not constitute Hikma acceptance for credit.
- Sales representatives are not permitted to authorize/pick-up returned goods
- Package size, lot number and lot expiration date will be obtained and verified after receipt of product at Qualanex, LLC.
- Hikma reserves the right to refuse credit when product is returned through parties other than Qualanex, LLC.
- All returns are subject to review by Hikma, and issuance of a RA number does not guarantee credit. Hikma reserves the sole right to determine whether items qualify under this Policy for return, credit or refund. Hikma's determination of the physical count of the returned products will be final. By returning products, you authorize Hikma and its designee, as your agent, to destroy, without payment or other recourse, any returned product.
- Any and all credits provided pursuant to this Policy are only valid if redeemed within one (1) year of issuance. Any and all credits that are not redeemed within one (1) year of issuance shall be null and void.
- Unauthorized deductions for returned merchandise will not be accepted.
- Hikma reserves the right to require proof of purchase source on all merchandise returned for credit or refund.
- Non-Hikma product returned with Hikma product will not be the responsibility of Hikma. Hikma reserves the right to charge customers for any costs incurred to process and destroy such non-Hikma product. Any such non-Hikma product will not be returned to the customer.
- There are sections of this Policy that pertain to the processing of claim submissions regardless if product is being returned.
- This Policy supersedes all previous policies and Hikma reserves the right to amend this Policy at any time without prior notification. The current version of this Policy will be set forth on [www.hikma.com](http://www.hikma.com).