RETURN
GOODS POLICY

Effective Date: January 3, 2011
This Return Goods Policy is for all products distributed by JOM Pharmaceutical Services, Inc. ("JOM") that are manufactured or marketed by JOM's affiliates (each a “JOM Affiliate”) as listed at www.jom.com. The terms of this Policy apply to out of date product only as listed on the “Return Goods Policy Product Listing” (RGPPL) at www.jom.com. Such product is subject to destruction by JOM.

This Return Goods Policy is subject to change at any time without prior notice.

PRODUCTS NOT ELIGIBLE FOR RETURN AND REIMBURSEMENT:

- Product not purchased directly from JOM or an Authorized Distributor of Record (an “ADR”) as evidenced by a proof of purchase upon request. A list of ADRs can be found at www.jom.com.
- Product that is not out-of-date, as identified on the RGPPL described above, or that is received more than twelve (12) months past the product’s expiration date. Product expiration occurs on the last day of the month of the expiration noted on the product.
- Product in which the lot number and/or expiration date is altered, missing, illegible, covered, and/or unreadable on original container.
- Product that has been involved in a sacrifice, fire, or bankruptcy sale.
- Product that has been damaged due to improper storage or handling, fire, flood, or catastrophe.
- Product that has been sold expressly on a non-returnable basis.
- Product that is not in its original container and/or not bearing its original label.
- Product with a prescription label attached that contains any patient information.
- Product container that is of mixed contents, including but not limited to strength/dosage or product family.
- Product that has been repackaged.
- Product that is labeled “sample”, “free goods”, “not for sale”, or similar designation.
- Partial vials, ampoules and syringes.
- Partial tubes of creams, ointments, or gels.
- Partial bottles of liquids.
- Partial packets of powder.
- Product obtained illegally or via diverted means.
- Product that JOM determines, in its sole discretion, is otherwise adulterated, misbranded, or counterfeit.

JOM RETURN GOODS AGENT:
Stericycle is the only approved return goods agent for JOM. Returned Goods Authorizations (RGAs) are only required for Schedule II controlled substance products or when a policy exception is being requested. Stericycle may refuse any return goods shipments sent COD (collect on delivery).

To receive reimbursement, all eligible returns should be shipped pre-paid to:

JOM PHARMACEUTICAL SERVICES, INC.
C/O STERICYCLE
2670 EXECUTIVE DRIVE, SUITE A
INDIANAPOLIS, IN 46241
DEA NUMBER RS0331607
JOM will not be responsible for product that is destroyed by any party other than Stericycle and proof of destruction will not be accepted in lieu of an actual return. All eligible products shipped to Stericycle must be shipped in a safe, secure, and reliable manner, and in compliance with all applicable federal, state and local laws, regulations and statutes. All shipments must be accompanied by a complete and accurate debit memo and other required documentation as necessary. It is the shipper’s responsibility to securely package all return goods to prevent breakage during transit and to 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 Stericycle. If any such containers are shipped to Stericycle they will be disposed of and will not be reported as a product return. If Stericycle receives damaged, broken, wet and/or leaking shipping containers that were damaged during shipment, Stericycle may process such return goods shipments, however, JOM may not issue any reimbursement. JOM is not responsible for shipments lost and/or damaged in transit. JOM recommends that all customers insure return goods shipments.

THIRD PARTY PROCESSOR RETURNS:
Stericycle will accept JOM return good shipments from third party return goods processors (a “Processor”) provided the Processor complies with all aspects of the Return Goods Policy and has identified the customer initiating the return on the debit memo (batched returns are not accepted). If the customer initiating the return is not identified on the debit memo, JOM may deny issuing credit for the return. JOM reserves the right to request a proof of purchase for any returned product. If the product is returned on behalf of an ADR (a “DC Return”) and only consisting of ADR inventory, the return must be clearly identified as such on the debit memo. All costs charged by a Processor or other third party are the responsibility of the customer and JOM will not be responsible for reimbursement of such costs.

It is the Processor’s responsibility to ensure that customers returning JOM product have gone through a thorough verification process validating the customer’s legitimacy. JOM reserves the right to audit the Processor at any time.

REIMBURSEMENT:
Stericycle will audit the quantities of return goods and final reimbursement will be based on Stericycle’s count. Reimbursement for partial bottles of tablets or capsules will be based on individual tablet/capsule count. Reimbursement will be issued for only the specified amount of the original container quantity. For example, if less than one-hundred (100) tablets are returned in a one-hundred (100) count bottle, reimbursement will only be issued for the exact count of the tablets however if one-hundred twenty-five (125) tablets are returned in a one-hundred (100) count bottle, reimbursement will only be issued for the maximum of one hundred (100) tablets. The quantity of tablets exceeding one-hundred (100) will be destroyed and no reimbursement will be issued for such quantity.

All products, contracted and non-contracted, will be reimbursed based on JOM’s average selling price of the lot number associated with the returned product. In the event that the credit issued is less than the purchase price, the customer may submit an invoice and JOM will adjust the credit accordingly. JOM reserves the right to adjust the reimbursement for any product at its sole discretion. If the original customer initiating the return cannot be determined based on information supplied with the return or upon request, JOM will deny any credit for the return. The terms of any contract between JOM or a JOM Affiliate and a Customer or ADR shall apply in addition to the terms of this Returned Goods Policy.
Direct purchasing customers will receive any reimbursement due for return goods shipments in the form of a credit memo on the direct purchasing customer’s account with JOM. Any right of off-set for return goods shipments may only be exercised following receipt of a properly issued credit memo. All reimbursements due for return goods shipments to non-direct purchasing customers will be issued through Stericycle in the form of a check unless the debit memo indicates that the reimbursement should be provided in the form of a credit through their ADR. In the event that the ADR receives a credit for a customer that it does not have a current purchasing relationship with, the credit must be returned to JOM within 30 days of the ADR’s receipt of said credit. Any credits that are issued by JOM must be redeemed within one year of issuance; otherwise the credits may be voided or escheated in accordance with applicable law.

Return goods shipments which are deemed to be outside of this policy will not be returned to the customer or Processor and no reimbursement will be issued by JOM for said product unless state or local law requires otherwise. In addition, JOM may deduct any associated costs for processing and destruction of the returned products from the total credit for the return.

JOM reserves the right to audit the amounts reimbursed for returned goods for a period of up to three years from when the payment or credit was issued. If the audit determines that a customer was paid/credited in excess of the amounts specified per the reimbursement policy mentioned above then JOM will be allowed, at its election, to either: (1) withhold payments/credits for future returned goods; or (2) invoice the customer for the amount of the returned good overpayment and the customer must make payment within 30 days upon receipt of invoice.

DEBIT MEMO DETAIL:
To ensure that an accurate credit or check is issued, the following information is required on the debit memo that is provided with the returned goods shipment:

- The name, mailing address and DEA # (or other recognized identifier) of the customer initiating the return.
- Name and mailing address of entity that the product was purchased from (JOM or ADR).
- The Processor’s name and address (if applicable).
- Remit to name and address.
- Returned goods shipment detail including the product name, NDC, lot or control number, expiration date, quantity and date of the return. All product returns sent to the Stericycle location under this policy are destroyed, however, returns from hospitals, health entities or charitable organizations must comply with PDMA and FDA regulations regarding documentation that products have been kept under proper conditions for storage, handling and shipping, 21 C.F.R. § 203.23.
- Clear identification of a “DC Return”.
- Each returned goods shipment must be accompanied by a unique debit memo and a debit memo number.

DISCONTINUED PRODUCTS:
Reimbursement for discontinued products will follow this JOM Return Goods Policy unless otherwise noted in a discontinuation notice sent from a JOM Affiliate. A complete list of discontinued products is available on JOM’s website at www.jom.com.

CONTROLLED SUBSTANCES:
Controlled substances must be returned to Stericycle in accordance with Federal and State law and regulations governing the transfer of these substances. Submission of DEA Form 41, in lieu of
returning product to Stericycle, will not qualify for credit. Customer shall contact Stericycle (1-866-664-1399) in order to provide the specific details of the return and to request a DEA Form 222 (for Schedule II drugs) and packing and shipping instructions. Prior to the return of any Schedule II narcotic, a DEA Form 222 must be issued by Stericycle and the completed form must accompany the return goods shipment. Schedule II products must be returned separate and apart from Schedule III, IV, and V products and non-controlled products. Schedule II return goods shipments must be shipped in an unmarked container via UPS, DHL or FedEx.

**CLINIC PRODUCTS:**
The following terms apply ONLY to “Clinic” products:

- Clinic product return goods shipments shall not be made through ADRs. In the event that Clinic product return goods shipments are made via ADRs, JOM may instruct Stericycle to destroy the returned Clinic product and JOM will not be responsible for issuing any reimbursement for the return.
- A completed Clinic Return Goods form must accompany all return goods shipments of Clinic product. This form may be obtained at www.jom.com.
- Expired returned products will receive a credit equal to 50% of the price in effect two years ago. This credit may be applied to future purchases.

**EXCLUSIONS:**
This policy does not apply to:

- Products manufactured or marketed by Patriot Pharmaceuticals, LLC; refer to [www.PatriotPharmaceuticals.com](http://www.PatriotPharmaceuticals.com) for more information.
- Recalled product, returns of recalled product are subject to the specific terms of the recall notification.
- Divested product, returns of divested products are subject to the specific terms of the divestiture notice. For a complete list of divested products, please visit our web site at [www.jom.com](http://www.jom.com).
- Product damaged in transit:
  - Product purchased directly from JOM by direct purchasing accounts that is damaged in transit shall immediately be reported to JOM’s Customer Service Department (1-800-631-5273). Customer shall contact JOM Customer Service to arrange for handling of the damaged product.
  - Product that was purchased from an ADR that is damaged in transit should be returned to that ADR; JOM will not accept any damaged product that was not purchased directly from JOM.