



Standard Returned Goods Policy

Effective: October 1, 2010

These terms and conditions shall apply to all purchases and returns of merchandise between Smith Medical Partners and Smith Medical Partner's Customers. Customers agree that these terms and conditions may be modified at any time and from time to time by Smith Medical Partners, but no modification will apply to Customer retroactively. Smith Medical Partners will not accept returns for products purchased from other sources.

- 1. Errors.** Smith Medical Partners will accept returns on shipping, billing or ordering errors (Over, Short or Damaged) within the following parameters: To maintain our responsibility to our Suppliers and Regulating Agencies (DEA and FDA), any requests must be reported to Smith Medical Partners customer service within two (2) business days of receipt. Customer must contact Smith Medical Partners for return authorization within this time period and must return the goods as directed in order to receive credit. Customers must report any shortages on shipments within the timeframe above as well. Customer agrees that if they fail to report or request a credit for products according to these rules, same shall be forfeited.

Any returns requested for errors are not subject to credit if not reported within the timeframe above. Full credit will be issued within ten (10) business days of receipt of goods, subject to quantity and item verification by Smith Medical Partners.

- 2. Merchandise Damaged in Shipment.** If practical, customer should refuse acceptance of any damaged merchandise and make such notation on the freight bill. If customer receives a damaged package (but chooses to accept delivery to have access to other merchandise within the order), then customer should so indicate on the freight bill. Goods that are damaged must be reported within forty-eight (48) hours of occurrence to Smith Medical Partners customer service. A determination will be made on a case-by-case basis as to the disposition of the damaged merchandise. Credit for damages will be processed if determined by Smith Medical Partners within its sole discretion same is warranted. Any damaged shipments not reported within forty-eight (48) hours are not subject to credit.
- 3. Outdates.** Requests for return of Outdated Merchandise, where returnable to Smith Medical Partners according to manufacturer return goods policies and Smith Medical Partners No Return List, must be requested within the following time frame: Six (6) months or less prior to expiration or up to Six (6) months after expiration. Credit will be at a seventy-five (75%) percent of current cost. "Current cost" is defined as manufacturer's list cost to Smith Medical Partners at the time shipped to Customer, on quantities normally ordered by Smith Medical Partners. No credit will be issued for merchandise beyond six (6) months of expiration. Customer will be responsible for shipping the goods back to Smith Medical Partners at their expense.

It is the policy of Smith Medical Partners to ship products within twelve (12) months or greater dating. Occasionally we will receive items with shorter dating from a manufacturer. In these cases, Smith Medical Partners will ship the best dating available. If the dating is unacceptable, the customer service department can arrange for an immediate product return. Returned short-dated merchandise will be credited at one hundred percent (100%) of current cost. Requests must be made within fifteen (15) Days of receipt of product.

- 4. Partial Packages.** Do not return partial, unsealed or open packages or containers unless the product has been recalled. No credit will be given. Product will be returned to the customer and freight charges will apply.

- 5. Lack of Demand Items.** Requests to return overstock product must be from Smith Medical Partners in order to obtain a return authorization. Product shipped without a Return Authorization will be refused.
 - a.** Overstocks return requests within six (6) months of the invoice date of product with more than nine (9) months prior to expiration will be credited at ninety (90%) percent of current cost. Customer will be responsible for shipping the goods back to Smith Medical Partners at their expense.
 - b.** Overstocks beyond six (6) months of the invoice date or product with less than nine (9) months prior to expiration will be treated as outdated merchandise (See 3. Outdates above. Customer will be responsible for shipping the goods back to Smith Medical Partners at their expense.
- 6. Recalls.** The net amount of manufacturer account specific credits will be passed on the customer. Recalls will be handled in accordance with the policies, credit terms and instructions of the manufacturer.
- 7. Customer Responsibilities.** By acceptance of Smith Medical Partners Credit, customer hereby warrants, represents and covenants that:
 - a.** Customer must attest that return goods were kept under proper conditions for storage, handling and shipping. Product must not be defaced, creased or torn.
 - b.** If Customer purchased merchandise at less than manufacturer costs at the time of purchase, customer will report such purchase cost to Smith Medical Partners to ensure that credit will not exceed purchase price and such adjustments to cost as are normally made in credit determination as outlined herein shall be applicable to such purchase costs.
 - c.** Where applicable, written notice will be provided by the customer to the manufacturer of prescription drug products that the product has been returned to Smith Medical Partners.
- 8.** Any proof of delivery must be requested in writing by Customer within thirty (30) days of original order date. In the event that Customer fails to request any proof of delivery within that timeframe, then Customer hereby acknowledges and agrees that it waives the right to request any such proof of delivery thereafter. Any instance where Smith Medical Partners provides Customer with proof of delivery after ten (10) days has elapsed from the date of statement of account shall not form the basis for any waiver of the right to assert or enforce this time limit in the future.

Note: Smith Medical Partners hereby reserves the right to demand that any advances of merchandise on credit be secured by appropriate security agreements and/or personal guarantees.