



LifeScan Return Goods Policy

EFFECTIVE: September 09, 2019

The following Return Goods Policy applies to all LifeScan products (“Products”) that are purchased in the United States directly from LifeScan, Inc. (“LifeScan”) or indirectly from an authorized LifeScan distributor (“Authorized Distributor”). A list of LifeScan’s Authorized Distributors can be found at www.lifescan.com/responsibility/policies/distribution.

PRODUCTS ELIGIBLE FOR REIMBURSEMENT:

All Product units that meet at least one of the following conditions will be eligible for return and potential credit reimbursement:

1. the Product unit has six (6) months or less remaining to the expiration date and the Product unit is NOT more than 12 months past its unique expiration date. If the Product unit does not have an expiration date, it can be returned at any time. (*Note: Product expiration occurs on the last day of the month of the expiration noted on the Product unit.*) or
2. the Product unit was nationally discontinued as per discontinuation notices sent by LifeScan.

PRODUCTS NOT ELIGIBLE FOR REIMBURSEMENT UNDER THIS POLICY:

Notwithstanding the conditions above, all Product units that meet at least one of the following conditions WILL NOT be eligible for credit reimbursement:

1. the Product unit has more than six (6) months remaining to the expiration date or the Product unit is more than 12 months past its unique expiration date;
2. the Product unit has a prescription label attached to it that contains any patient information;
3. the Product unit is returned without its packaging or contents intact;
4. the Product unit is not returned but was destroyed without LifeScan authorization by Customer;
5. the Product unit was not marketed by LifeScan or an Authorized Distributor in the United States;
6. the Product unit was not purchased directly from LifeScan or an Authorized Distributor in the United States, as evidenced by proof of purchase provided by Customer upon request by LifeScan or its authorized agent;
7. the Product unit is determined by LifeScan to be diverted, counterfeit, adulterated, tampered or over labeled;
8. the Product unit is purchased, obtained or sold in a manner that violates any applicable law, including the customs laws of the United States;
9. a Product unit that was the subject of a Recall (see “Exclusions” below);
10. any Product unit for which a request for reimbursement has been submitted to any entity;
11. any Product unit that was damaged in transit (see “Exclusions” below); or
12. any Product unit returned due to Customer or Authorized Distributor overstock or excess inventory.

RETURN GOODS PROCESS:

Return Authorization is not required. Customers must contact LifeScan's only authorized return goods agent, Inmar, to obtain box labels and shipping instructions by e-mailing a copy of their request and a copy of the debit memo to lifescanreturns@inmar.com. The debit memo must include the Debit Memo # and the UPC#, Quantity, Lot Code # and Expiration Dates assigned to each item. Inmar will issue box labels and shipping instructions within 2 business days once all information has been received. For questions or assistance, Inmar Customer Service is available Monday – Friday, 8am – 5pm EST at 1-877-644-0004.

RETURN GOODS SHIPMENTS:

All eligible returns are to be shipped pre-paid to:

Inmar/LifeScan Returns Center
Suite A
7600 Rockville Road
Indianapolis, IN 46214

Inmar may refuse any return goods shipments sent COD (collect on delivery).

All return goods must be sent to Inmar with the issued box label applied, along with a copy of a unique debit memo which complies as provided below with "Debit Memo Detail". Credit cannot accurately be issued if multiple debit memo numbers are commingled.

Other than as provided below with "Product Waste Classification," LifeScan will not be held responsible for Product that is destroyed by any party other than Inmar and proof of destruction will not be accepted in lieu of an actual return.

All eligible Product units shipped to Inmar must 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 to comply with laws and regulations applicable to the packaging, shipping and transport of return goods shipments. Neither LifeScan nor its agent is responsible for shipments lost and/or damaged in transit. LifeScan recommends that all Customers insure return goods shipments.

Product containers that do not contain any viable Product are NOT to be shipped to Inmar. If any such containers are shipped to Inmar they will be disposed of and will not be reported as a Product return. If Inmar receives damaged, broken, wet and/or leaking shipping containers that were damaged during shipment, Inmar may process such return goods shipments, however, LifeScan may not issue reimbursement.

REIMBURSEMENT:

Inmar will inspect and determine the quantities of return goods and final reimbursement will be based on Inmar's count. Reimbursement will not exceed the specified amount of the original container quantity. All transportation charges, including insurance, are the responsibility of the Customer. LifeScan does not accept deductions for freight or insurance charges with the only exception of deductions for handling fees (\$0.408 per retail selling unit) for nationally discontinued items.

All Products, contracted and non-contracted, will be reimbursed based on the lesser of the invoice net price paid (less any discounts) or the current published list or eligible contracted price. In the event that the invoice price paid is incorrectly represented, the Customer may submit a claim with proof of purchase and LifeScan will review and adjust the credit as needed. LifeScan 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, LifeScan will deny any

credit for the return. The terms of any contract between LifeScan or a LifeScan Affiliate and a Customer or Authorized Distributor shall apply in addition to the terms of this Return Goods Policy.

Direct purchasing Customers will receive reimbursement due for return goods in the form of a credit memo on the direct purchasing Customer's account with LifeScan. Any right of off-set for return goods may only be exercised following receipt of a properly issued credit memo. Customers are required to wait 30 days from the return delivery date to Inmar or issuance of the credit memo, whichever occurs first, before taking a deduction for the returned Product.

All reimbursements due for return goods to non-direct purchasing Customers will be issued as a credit through the non-direct purchasing Customer's current Authorized Distributor. In the event that the Authorized Distributor receives a credit for a Customer that it does not have a current purchasing relationship with, the credit must be returned to LifeScan within 30 days of the Authorized Distributor's receipt of said credit. Any credits that are issued by LifeScan must be redeemed within one year of issuance; otherwise the credits may be voided or escheated in accordance with applicable law.

Return goods which LifeScan or Inmar determine to be outside or otherwise violate this policy will not be returned to the Customer (or the Customer's Returns Processor) and no reimbursement will be issued by LifeScan for said Product unless state or local law requires otherwise. All return deductions which are deemed to be outside of this policy must be repaid to LifeScan immediately upon request.

Terms of any distributor's policies will not be honored by LifeScan or Inmar.

LifeScan 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 LifeScan 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 accurate credit is issued, the following information is required on the debit memo that is provided for and with the return goods shipment:

- A unique Debit Memo #.
- Name, mailing address, the LifeScan account number (or the Purchase Order #) or other recognized identifier of the Customer initiating the return.
- Name and mailing address of entity that the Product was purchased from (LifeScan or Authorized Distributor).
- Name and address of the Customer's Returns Processor (if applicable).
- Name and address of the Customer's current Authorized Distributor to whom the credit will be remitted.
- Returned goods shipment detail including the Product Name, UPC#, Lot Code #, Expiration Date, Quantity and Date of Return.
- Only LifeScan Products can be included on the debit memo.
- If the return originates from an Authorized Distributor's Distribution Center, then clear identification of a "DC Return" must be made on the debit memo.
- Each returned goods shipment must be accompanied by a unique debit memo and a debit memo number.

PRODUCT WASTE CLASSIFICATION:

The following types of Products are classified as non-hazardous waste at both the federal and state level and therefore are exempt from hazardous waste regulations and should be returned to the LifeScan Returns Center in accordance with this policy:

- Blood Glucose Monitoring Test Strips
- Lancets
- Lancing Devices

Blood Glucose Monitoring Meters (excluding batteries) do not expire. As a result, LifeScan is able to donate a high level of returned Blood Glucose Monitoring Meters, even if the Product's life has exceeded its Expiration Date. Since the Blood Glucose Monitoring Meters retain some of their value after expiration, they are not considered to be waste. Therefore, all expired Blood Glucose Monitoring Meters should be returned to the LifeScan Returns Center in accordance with this policy.

Blood Glucose Meter Testing Solutions are classified as non-hazardous waste at the federal level. However, these types of Products may be classified as hazardous waste under state law. In the event that a Customer cannot return a Solution because it is classified as a hazardous waste within a specific state, LifeScan will reimburse the Customer for the cost of the Product unit plus a destruction fee of \$0.42 per retail selling unit and a handling fee of \$0.408 per retail selling unit of the Product - contingent upon the Customer providing proof of destruction for the Product unit.

MISCELLANEOUS:

- LifeScan will NOT reimburse Customers for any Product unit that is rendered unsaleable by:
 - natural disasters at the Customer's site (i.e., floods, fires, tornadoes, etc.)
 - Customer warehouse or retail building defects (i.e., roof leaks, building collapse, etc.).
- LifeScan will be responsible for Product units that are rendered unsaleable due to manufacturing defects. In these cases, LifeScan will reimburse the Customer for the Product cost, handling costs of \$0.408 per retail selling unit and shipping cost.

EXCLUSIONS:

This Returns Policy does NOT apply to:

- Product that is recalled by LifeScan. In the event of a Product Recall, separate instructions will be issued to Customers detailing the process for returning Product, as well as reimbursement terms.
- Product units that are shipped from LifeScan to Customer and is damaged in transit:
 - For Product units purchased directly from LifeScan by direct purchasing accounts that were damaged in transit, please refer to the Overage, Shortage, & Damage Policy that can be found at www.lifescan.com/distribution-reimbursement/distribution.
 - For Product units purchased from an Authorized Distributor that were damaged in transit from the Authorized Distributor to the Customer, please contact the specific Authorized Distributor for further assistance. LifeScan will NOT reimburse a Customer for any Product damaged in transit that was not purchased directly from LifeScan.