Return Goods Policy

Effective January 1, 2018

The Return Goods Policy of Dr. Reddy's Laboratories, Inc. (“DRL”) applies to all pharmaceutical products manufactured and/or distributed by DRL in the USA. Only products purchased directly or through an Authorized Distributor of Record from DRL will qualify for return and/or credit.

DAMAGED PRODUCT/MIS-SHIPMENT PROCESS

In an effort to minimize any delay in resolving damage or mis-shipments claims:

- All orders should be received and counted prior to customer’s acceptance of delivery from the carrier.
- Any product damages or mis-shipments, including shortages, should be noted on the transport company’s freight bill or bill of lading and be countersigned by the customer.
- The damaged product must remain in the original carton should inspection be required by the transportation company.
- DRL must be notified of any products damaged in transit or product shortages within ten (10) business days of receipt of the merchandise by customer and DRL must be in receipt of product no more than twenty (20) days after RA issuance in order to qualify for credit or product replacement.
- Claims for product damages or shortages can be directed to DRL’s Customer Service Department by calling 866-733-3952.

OUTDATED PRODUCT RETURN PROCESS

DRL contracts with Inmar CLS Pharmaceutical Services (“Inmar”) to manage the return of outdated products. All direct, indirect and non-contracted product purchases must be returned to Inmar in accordance with the following procedures to be eligible for credit.

You may obtain a Return Authorization (RA) Label via Inmar’s website address: https://returns.healthcare.inmar.com. The following information must be supplied or the RA Request may be declined and not eligible for credit:

- NDC Number, Product Description, Lot/Batch #, Quantity, Customer’s Reference Number
- Expiration Date (In the event the package expiration date is stated in month/year format, expiration date will be by default to the last day of the month)
- Reason for Return & Proof of Purchase (Purchase Order and/or DRL Invoice #) (when specifically required by DRL)

All returns must be received by DRL’s Return Agent, Inmar, no later than thirty (30) days after RA Label issuance, with the RA Label attached on the exterior of the box, together with a copy of the Customer's debit memo for such return(s) enclosed in the return shipment.

Controlled substances (Schedule III-V): Controlled substances must be returned to Inmar in accordance with federal and state regulations governing the transfer of these substances.

Schedule II narcotic: Prior to the return of any Schedule II narcotic, a DEA Form 222 must be issued by Inmar.

Please contact Inmar should there be any questions regarding a return by phone at 800-967-5952, or via email: rarequest@inmar.com.

TERMS

The following rules will be applied to determine the credit amount for eligible product returns that comply with the return procedures noted above:

- Damaged product returns /Mis-shipment
  - Credit will be extended at 100% of original purchase price after adjustment of any shelf stock adjustment credit, if any, for such product

- Outdated product returns
  - For direct customers, credit will be calculated at the lower of the original invoice price, current contract price or prevailing published list price.
  - For direct customers returning non-contract product purchased indirectly, credit will be given at DRL average price. DRL reserve the right to make final determination
For indirect customers, a credit will be extended to customer's wholesaler at a DRL average price. DRL reserve the right to make final determination.

- Recalled product returns identified by lot and handled as per the recall mailing notice
  - Credit will be extended according to the rules above for direct customers returning contract and non-contract products and indirect customers. DRL reserve the right to make final determination

Submission of return product does not constitute DRL acceptance of issuing a credit. DRL reserves the sole right to determine products eligible for return and credit valuation. DRL and/or Inmar's physical count and any applicable credit of the returned product will be final.

No return claim may be deducted until a credit memo is issued by DRL. Any and all credits that are not redeemed within one year of issuance shall be null and void. Any dispute of credit on product returns must be resolved within twelve (12) months of original return claim (debit memo) date.

DRL will not honor any processing/handling, documentation, administrative or destruction fees assessed for the return, handling, processing or incineration of product, excluding DRL recalled product.

Transportation and/or shipping charges including Insurance will be prepaid by customer with the exception of DRL errors and/or recalls. Returns should be insured as DRL will not be responsible for loss or damage while in transit. Returns lost, damaged, or not compliant with return procedures will not be extended credit.

**RETURNABLE PRODUCTS**

For the purpose of this Policy, returns will be accepted for credit only if it constitutes Authorized Product. A return will be considered Authorized Product if it meets the following requirements:

- Products returned in full and sealed containers in original saleable packaging.
- Product which is within six (6) months of expiration and up to a maximum of twelve (12) months past expiration.
- Products sold into and returned by direct and indirect customers originating from states which expressly mandate the processing / crediting of partial containers (DRL may ask for Proof of Return).

**NON-RETURNABLE PRODUCTS**

- Products donated.
- Private Label Products.
- Products sold as samples or short dated.
- Product sold on a non-returnable basis, marked non-returnable, free goods or with similar markings and/or labels.
- Products which are re-packaged and/or Product not in its original packaging.
- Products which are unlabelled or partially labeled or blemished.
- Products reported as concealed damage(s) but not reported within 10 days.
- Products returned in partial quantities of original package size (except as required by law).
- Packages which have been opened, partially used, marked or disfigured in any way.
- Deteriorated Products due to improper storage.
- Products not purchased directly from DRL or via an authorized distributor of record.
- Products not manufactured and/or distributed by DRL.
- Products damaged due to insurable causes such as fire or natural disasters or products involved in distressed, sacrifice, fire or bankruptcy sale.
- Product returns without a valid RA# or missing RA #.
- Products returned to DRL or Inmar without prior approval including Product quantities sent more than requested on the RA.
- Product sold to any City, County, State and/or Federal entity for the purpose of stock piling directly by DRL or through an authorized distributor of record.
- Products which are exported or sold internationally.
- Product returns from closed and/or inactive customers purchasing directly from DRL.
- Products remaining after insolvency.

*This Return Goods policy supersedes all previous policies and such policy may be modified by DRL, at its option, from time to time, upon written notice to Customer.*