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| ANI Pharmaceuticals, Inc. | Company Policy/Procedure | Policy Number: CP-001 v 4.0 Effective: 28-Aug-2015 |
| Return Goods Policy and Procedure | | |

1. Purpose

The purpose of this policy is to define the parameters under which we will accept goods returned to us from our customers, as well as the procedure for handling such returned goods.

2. Scope

This procedure will be used when it is necessary to process goods returned from our customers.

3. Abbreviations

RGA – Return Goods Authorization
POD – Proof of destruction

4. Definitions

Customers are allowed to return no more than 2% of their annual purchases. Annual purchases will be calculated as total product value from the previous calendar year. For example, Customer XYZ purchased \$100,000 in product in the calendar year 2009. Therefore, Customer XYZ is eligible to return a maximum of \$2,000 worth of product during the calendar year 2010.

Total Product Value – The total of invoices from a calendar year less any applicable chargebacks.

5. Guidelines

None.

6. Responsibilities

The processing of returned goods is the responsibility of the Returns Department, Receiving, and Finance.

7. Procedure

TERMS AND CONDITIONS

This Return Good Policy does not apply to Private Label Products or to Products returned by customers other than the original purchaser.

- ANI Pharmaceuticals, Inc. (“ANI”) reserves the right to determine, at its sole discretion, whether products qualify as returnable (before or after return) and are subject to valuation at the time of receipt. ANI reserves the right to refuse return claims in excess of two percent (2%) of Customer’s annual purchases. All returns must be pre-approved by the Returns Department, [Returns@ANIPharmaceuticals.com](mailto>Returns@ANIPharmaceuticals.com) or 800-434-1121, ext. 3620. Such pre-approvals shall not affect ANI’s right to determine if the Products do not otherwise qualify as returnable for credit.

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NON-RETURNABLE ITEMS

- Product that is not within ninety (90) days of its expiration date.
- Product more than twelve (12) months past expiration date.
- Product sold on a non-returnable basis, such as:
 - Private Labeled
 - Unlabeled
 - Partially-Labeled
 - Donated
 - Sold on a non-returnable basis
- Partial product that was sold in packaging marked “Not for Individual Sale” such as, but not limited to Hydrocortisone 7’s or Cortenema 7’s).
- Partial product, product with broken seals, or product that has been opened, except where required by law.
- Product damaged at the customer’s warehouse or store level.
- Product exposed to fire, smoke, heat, water or other adverse environmental conditions, and/or improper handling and/or storage.
- Packages which have been marked or disfigured in any way.
- Packages with missing, torn, damaged or unreadable labels. Outdated product totaling less than \$100.00.

Any Controlled Substances (Schedule II and Schedule III Pharmaceuticals). However, customers may request authorization for destruction of these products. Destruction must be pre-authorized or credit will not be issued.

Be advised that ANI Pharmaceuticals reserves the right to destroy, without giving credit for, products which are not returned in compliance with this policy, which are unfit or unsafe for sale, that are returned without prior authorization. ANI reserves the right to deny credit for products that are destroyed without prior authorization.

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RETURNABLE ITEMS

Outdated and Damaged Goods

- Short dated product that is within ninety (90) days of expiration.
- Expired product, but not more than twelve (12) months past expiration date.
- Concealed damage claims made within twenty (20) days of receipt.
- Products damaged in shipping to consignee accompanied by a signed bill of lading noting such damage. Claims must be made within ten (10) days of receipt.

Controlled Substances will not be accepted as Returnable Items. If you have Controlled Substances that are expired or otherwise returnable under our policy, please request Authorization for Destruction. Credit will not be issued if Authorization for Destruction was not granted prior to destruction. ANI is not responsible for any cost incurred for destruction of product. Proof of destruction is required before any credit will be issued.

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PROCEDURE FOR RETURNING ITEMS

- All requests for returns must be in writing via e-mail, mail or fax.
 - Requests must include the following
 - Customer name
 - Wholesaler name, when applicable
 - “Ship to” address if different than “Bill to” address
 - Proof of purchase in the form of invoice number of original purchase (if there are multiple items returned from different invoices, then all invoice numbers must accompany the request)
 - Item name
 - Quantity
 - NDC number
 - Lot number
 - Expiration date
 - Reason for return
- If additional information is requested by ANI, the requestor will have ten (10) days to respond or no credit will be issued for the request.
- After review, a return authorization number (“RA Number”) will be issued via fax, e-mail, or mail.
- Place the RA Number on the outside of all packages or shipments will not be accepted by ANI.
- If customer chooses to destroy product in lieu of returning it, pre-authorization of destruction is required. Authorization of Destruction should be sought when Return Goods Authorization is requested. Proof of destruction is then required..
 - NOTE: Destruction without authorization will result in non-payment of credit request
- Credit will not be given for any additional items returned without prior authorization.
- Customer is responsible for processing fees.
- If Proof of Delivery is requested by ANI, the RA Number must be referenced by the shipper on the shipper’s Proof of Delivery.

All transportation charges for returns must be prepaid by Customer. When using third party handlers and/or reverse distributors, credit will be issued based upon the reports submitted by the third party handler/reverse distributor. Fees for the third party service must be paid by the company. ANI will not be responsible for these fees.

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CREDIT HANDLING

- Credit or equivalent replacement product will be issued within thirty (30) days of receipt of outdated, short-dated, or unsalable product accompanied with the pre-approval number from the Return Authorization form. Returns must be made within thirty (30) days of authorization. If product is not received within thirty (30) days of authorization, no credit will be issued.
- Credit or equivalent replacement product will be allowed on all ANI products returned in unopened, original labeled package, no more than ninety (90) days prior to expiration date and up to one (1) year past expiration date and in accordance with and subject to the other terms and conditions of the Return Goods Policy.
- Generic returns will be credited at the lesser of (i) requested value, (ii) acquisition cost, (iii) WAC at acquisition, or (iv) or current price WAC minus 25%.
- Customer will receive a credit memo from ANI. ANI reserves the right to destroy, without giving credit for, products which are not returned in compliance with this policy and which are unfit or unsafe for sale. The return of such products by ANI to the facility submitting the returned products may violate regulations established by the FDA.
- Returns should be sent to:

ANI Pharmaceuticals, Inc.
210 Main Street W
Baudette, MN 56623
Attn: Warehouse>Returns

8. Revision History

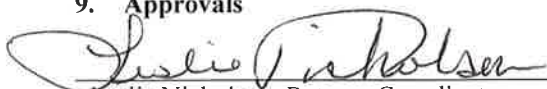
| Supersede Version/Date | Changes Made | New Version |
|---------------------------|---|--------------|
| Rev 2 – Feb 2008 | Clarified entire procedure, new format, new numbering system. | CP-001 v 1.0 |
| CP-001 v 1.0 01-Sept-2010 | Definitions for: “calculating amount of returns allowed” and “total product” value added. | CP-001 v 2.0 |
| CP-001 v 2.0 08-July-2014 | Updated language and added procedures and policies for return of branded products. | CP-001 v 3.0 |
| CP-001 v 3.0 08-July-2014 | Added Schedule III to items that are not returnable. | CP-001 v 4.0 |

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DISCLAIMER

ANI products received by ANI not meeting the above guidelines will not be returned and credit will not be issued. These policies are subject to applicable state and/or other regulatory agency's regulations. Customers must have an open and active account in order to receive credit for approved returned or destroyed merchandise.

9. Approvals



 Leslie Nicholson, Returns Coordinator

8-27-15

 Date



 Darlene Saccoman, Manager, Contracts and Government Pricing

27 August 2015

 Date



 Charlotte Arnold, Vice President & CFO

8/27/15

 Date