

Failure to Supply Credit Approval Form - Pharma

Amount of Request \$ 352,522.39

Received invoice dated March 11, 2013 for January 2013 FTS.

Customer Name Amerisource

Effective 4.1.12 Failure to Supply Penalty. In the event Product Fill Rate falls to a level such that Outbound Fill Rate falls below 95% for a calendar month, Mallinckrodt will pay a service level admin fee equal to 120% of contract cost for lost sales for that month. The FTS penalty is to cover the fiscal impact to ABC of not providing Products to its customers when initially ordered. CALCULATION IS - Avg sales (3 mos) less units sold in FTS month times contract price times 120%.

Doc/Line Type C5:N2 Credit Memo

Sold to / Bill to 50005257

Ship to 476242

Amerisource requested \$374,902.34.

Invoice # / PO # /

Debit Memo # 7008932475

Per contract we will pay the FTS penalty based on PRxO Generics Sales as available in TruVuRx database.

RB/ RI #

Comments FTS - Service Level Penalty Multiple Products January 2013

Reason Code FD = FTS

SKU					Total Penalty
052201					\$ 174,197.59
996001					\$ 178,324.80
Total Credit					\$ 352,522.39

**Do Not Adjust

Prepared by

Ashley Kempfer ext 43930

Approvals Required (X):

x	Ashley Kempfer	Rebate/Credit Specialist	All
x	Cindy Cerneka	Manager, CM&A	>\$1K
x	Brent Wetzler	Director, CM&A	>\$25K
x	Patrick Brueggeman	Business Controller	>\$100K
x	Ginger Collier	Director, Marketing - Specialty Generics	>\$100K/Exceptions
	Walt Kaczmarek	VP/GM Commercial Operations	Exceptions

Ashley Kempfer 10-15-13
 [Signature] for CC (on leave)
 [Signature] 10-15-13
 Patrick S. Brueggeman 10/28/13
 Ginger Collier 10/25/13

Cm# 17093556

10-28-13

\$ 352,522.39

12510537 Apply to 2546095

Add Bill remaining

↓
12510567

\$ 22,379.95

593656

Supplemental Approval Sheet

Customer / Payee: ABC

Rebate / Fee Name: FIS

1. Basis:

- ☐ Internal Data (Partner calc)
☒ External Data

2. If "External Data":

A. Have any adjustments been made to submitted data?

(ex. MCO claim exceptions, etc)

Yes, ABC submitted data by picking months with highest qty for calculations. To figure what is truly due, used 3 previous months qty.

B. Describe sanity check comparison done (other than variance versus prior submission), if any.

Analysis completed to verify qty & days on hand.

3. If any of the of the following are not clearly stated on sign-off sheet, specify here:

A. Frequency: —

B. Description of applicable transactions (ex. products included or excluded, non-contract transactions, etc):

See approval sheet

C. Calculation Details (ex. % fee, tiers if applicable, off net or off gross, etc):

See approval sheet

D. Due date: Sept 20, 13

the number of PRxO units sold times the difference between the contract price and the day 30 contract price.

During the second thirty day period (day 31- day 60) Supplier shall again provide a credit to AmerisourceBergen for any difference between Supplier's PRxO Generics contract price on any particular day (day 31-day 60) and the Supplier PRxO Generics contract price in effect on day 60. This credit will be calculated on a daily basis by multiplying the number of PRxO Generics units sold times the difference between the contract price and the day 60 contract price.

4. INABILITY TO SUPPLY

Notwithstanding the effective date of this Addendum, this Section 4 will not take effect until April 1, 2012, and this Section 4 will not apply retroactively to the effective date of this Addendum (January 1, 2012).

- a. In addition to the Product Fill Rates set forth in the Agreement, Supplier agrees to provide Product fill rates to AmerisourceBergen that enables AmerisourceBergen to serve its customers at rates greater than ninety-seven percent (97%), calculated as line item orders for Products that are on the PRxO Generics Program. The service level shall be defined as: unit quantity from original purchase order completely filled within three (3) business days of originally scheduled delivery date as a percent of total units ordered.

- b. ~~Failure to Supply Penalty~~ In the event that the Product Fill Rate falls to a level such that the Outbound Fill Rate falls below 95% for a calendar month, as calculated by AmerisourceBergen, Supplier will be assessed a service level administrative fee equal to 120% of PRxO Generics contract cost for lost sales for that month ("Failure to Supply Penalty"). The Failure to Supply Penalty is calculated based on AmerisourceBergen's Average Monthly PRxO Generics Sales (defined below) minus the quantity sold on PRxO Generics for that month. The Failure to Supply Penalty is to cover the fiscal impact to AmerisourceBergen of not providing Product to its customers when initially ordered.

"Average Monthly PRxO Generics Sales" shall be defined as sales data as available in TruVuRx® for the previous three (3) calendar months while Supplier was in full Product supply, divided by three (3).

By way of illustration, the monthly PRxO Generics sales for the last 3 calendar months the product was in full supply are as follows: 2,000, 2,100, and 2,200. 1,500 units of the product were sold on PRxO Generics during the month for which the Failure to Supply Penalty is being calculated. The PRxO Generics contract price is \$20. The Failure to Supply Fee shall be calculated as follows:

Average Monthly Sales = $(2,000 + 2,100 + 2,200) / 3 = 2,100$

Units Sold in Failure to Supply Month = 1,500

$2,100 - 1,500 * \$20 * 120\% = 600 * \$20 * 120\% = 12,000 * 120\% = \$14,400$

The Failure to Supply Penalty to AmerisourceBergen would be \$14,400. The Failure to Supply Penalty payment shall be due within thirty (30) days of the date of invoice.

This charge will be at the NDC level. Each NDC will be calculated separately, and will be in effect until the service level is above or at 95%.

In the event of a new Product launch or Product reintroduction, expected PRxO forecast will be used in place of the average PRxO monthly sales.

The Failure to Supply Penalty will be assessed on all primary awarded Products on the PRxO Generics Program. In the event a Product is changed to a secondary award or is removed from the PRxO Generics Program, all invoiced and accumulated Failure to Supply Penalties until date of award change, shall be payable.

TruVurX Data - FTS January 2013

MDC	January	December	November	October	September	August	July	3 Mo Avg Full	Rebate Due	6 Mo Avg	Rebate Due	3 Consecutive Month Avg	Rebate Due
052201	7417	14169	13924	13109	9155	12552	12766	13734	\$ 174,197.59	12613	\$ 143,271.11	13734	\$ 174,197.59
996001	371	677	759	826	683	783	804	804	\$ 201,760.00	755	\$ 178,945.60	754	\$ 178,324.80
									\$ 375,957.59		\$ 322,216.71		\$ 352,522.39

Data Submitted to be paid

TruVurX Data - FTS January 2013

NDC	January	December	November	October	September	August	July	3 Consecutive Month Avg	Rebate Due
052201	7417	14169	13924	13109	9155	12552	12766	13734	\$ 174,197.59
996001	371	677	759	826	683	783	804	754	\$ 178,324.80
									\$ 352,522.39

Data Used to Calc FTS Due

QTY on Hand

Wholesaler	SKU	Item Descr	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1	2/8	2/15	2/22
AMERISOURCE	052201	OX/APAP 7.5/3	3,871	12,823	9,938	7,416	4,086	1,711	844	413	11,851	10,566	7,752	4,997
AMERISOURCE	996001	TEMACERAM 7.5	828	821	572	407	289	160	49	16	736	796	805	942

Days On Hand

Wholesaler	SKU	Item Descr	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1	2/8	2/15	2/22
AMERISOURCE	052201	OX/APAP 7.5/3	9	28	22	16	9	3	2	1	27	24	17	11
AMERISOURCE	996001	TEMACERAM 7.5	27	27	19	13	9	5	2	1	29	32	32	38

Customer Invoiced Data

Supplier Name	NDC	Material	Item Desc	Strength	Form	Size	Contract Cost	WAC	Failure To Supply Service Level	Qty Sold in FTS Month	Monthly Sales Qty at 'Full Supply'	Billing Amount	Billing Status	Agreement	Request	PP
MALLINCKRODT	00406052201	10034383	OXYCOD/APAP	MG	TAB	100	\$22.98	\$47.51	59.51%	7281	13667	\$176,091.14	Approved for Billing	31001159	R100004078	February
MALLINCKRODT	00406996001	10051673	TEMAZEPAM	7.5 MG	CAP	100	\$388.00	\$695.83	31.92%	340	787	\$198,811.20	Approved for Billing			
												\$374,902.34				

**AmerisourceBergen Drug Corporation**

1300 Morris Drive
Chesterbrook, PA 19087-5594
(610)727-7000

Invoice

Invoice Number:
7033967690
Invoice Date :
03/11/2013

Bill To: MALLINCKRODT INC
ATT:RHONDA SHULTS H-3-W
SAINT LOUIS , MO 63134-0840

Payment Terms: Net 30 Days
Due Date: 03/30/2013

Quantity	Item	Description	Unit Price	Extension
1	010	January 2013 Failure to Supply	374,902.34	374,902.34

Please remit payment to:

AmerisourceBergen Drug Corporation
P.O Box 8500-S-5400
Philadelphia, PA 19178-5400
Attention: Supplier Incentives

Subtotal: 374,902.34
Total Invoice Amount: 374,902.34

Kempfer, Ashley A

From: Longenecker, Jacob
Sent: Tuesday, September 10, 2013 8:39 AM
To: Kempfer, Ashley A
Subject: RE: REVIEW: ABC FTS Oxy and Temazepam January 2013

Approved for 055201 due to low days on hand and supply problems.

From: Kempfer, Ashley A
Sent: Tuesday, September 10, 2013 8:38 AM
To: Longenecker, Jacob; Elmore, Sylvia A (Aubuchon)
Subject: REVIEW: ABC FTS Oxy and Temazepam January 2013
Importance: High

Please review and either approve or reject with comments.

Thank you,

Ashley Kempfer | Rebate/Credit Specialist
Mallinckrodt Pharmaceuticals
675 McDonnell Blvd. | Hazelwood, MO 63042 | USA
T: 314.654.3930 | F: 314.654.3383
ashley.kempfer@mallinckrodt.com | www.mallinckrodt.com

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Kempfer, Ashley A

From: Elmore, Sylvia A (Aubuchon)
Sent: Monday, October 14, 2013 3:39 PM
To: Kempfer, Ashley A
Subject: Approve: REVIEW: ABC FTS - Jan 2013

Kempfer, Ashley A

From: Kempfer, Ashley A
Sent: Monday, October 14, 2013 3:35 PM
To: Elmore, Sylvia A (Aubuchon)
Subject: REVIEW: ABC FTS - Jan 2013
Attachments: ABC Svc Level January 2013.xlsx

Importance: High

Per our conversation, please approve.

Thank you,

Ashley Kempfer | Rebate/Credit Specialist

Mallinckrodt Pharmaceuticals

675 McDonnell Blvd. | Hazelwood, MO 63042 | USA

T: 314.654.3930 | F: 314.654.3383

ashley.kempfer@mallinckrodt.com | www.mallinckrodt.com

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Mallinckrodt

Credit Memo
INVOICE SUBJECT TO SERVICE FEE IF NOT PAID AT MATURITY.FACTURA SUJETA A MULTA SI NO ES CANCELADA ANTES
DE SU VENCIMIENTO.

SHIP TO: (EMBARCADO A)

AMERISOURCE BERGEN DRUG CORP R
1001 WEST TAYLOR ROAD
ROMEONVILLE IL 60446

INVOICE DATE (FECHA FACTURA)	PLEASE REFER TO THIS NUMBER WHEN REMITTING OR ON ANY CORRESPONDENCE REGARDING THIS SHIPMENT. FAVOR REFERIRSE A ESTE NUMERO DE FACTURA PARA TODA CORRES- PONDENCIA RELACIONADA A ESTE EMBARQUE.	INVOICE NO. (NÚM. FACTURA)
10/28/13		17093556
4 RM		PAGE 1

BILL TO: (VENDIDO A)

50005257
AMERISOURCEBERGEN CORPORATION
ATTN ACCTS PAYABLE
PO BOX 247
THOROFARE NJ 08086SUBMIT ONE COPY OF INVOICE
WITH REMITTANCE TO:MALLINCKRODT LLC
P.O. BOX 13667
NEWARK, NJ 07188-0667

SPECIAL INSTRUCTIONS (INST. ESPECIALES)

FTS - JANUARY 2013

CUST. NO. (NÚM. CTA.)	CUSTOMER P.O. NO. (NÚM. ORDEN DE COMPRA)	PAYMENT TERMS (FORMA DE PAGAR)	ORDER PLACED BY (PEDIDO COLOCADO POR)
476242	7008932475	Net 30 Days	AAK

ITEM (ART)	DESCRIPTION (DESCRIPCION)	QUANTITY (CANT.)	PRICE (PRECIO)	AMOUNT (MONTOS)
ITEMS SHIPPED FROM HAZELWOOD, MO				
ORDER # -	50098954 C5			
	CARRIER: FEDEX 2-DAY ECONOMY (4:30PM) - HOBART			
052201	* OXY/APAP 7.5/325 TABLETS USP	1.000 BT	174,197.59 BT	174,197.59-
996001	* TEMAZEPAM 7.5MG CAP	1.000 BT	178,324.80 BT	178,324.80-
* = Product Exempt in this State				
Product Subtotal \$			TOTAL \$	352,522.39-
			Terms 2.34% 60	NET 61
Pharma - Dist to Contracts Adm				

Discrepancies: Credit requests for invoice discrepancies will only be considered if made as follows from date of invoice: (a) within 12 months for pricing; or (b) within 90 days for freight, terms, quantity, and other matters.

Customer's Duty - Medicare, Medicaid, Third Party Payors: These products may be subject to cash rebates or other discounts. Consult your purchase agreement or Quotation for details. Customer is obligated to timely, fully, and accurately report product rebates or discounts to Medicare, Medicaid and other third party payors in accordance with applicable federal and state laws and regulations and, on request by Medicare or Medicaid, to provide this invoice and any other information provided by Seller regarding such rebates or discounts.

Exportation Statement: These commodities, technology or software were exported from the United States in accordance with the U.S. Export Administration Regulations, diversion contrary to U.S. law prohibited.

Terms and Conditions: This sale by Seller, unless covered by prior existing written contract signed by Seller, is subject to only the terms and conditions of sale on the reverse side.