



**ADJUSTABLE RATE ALLOWANCE AND
PRODUCT DISPOSITION AGREEMENT
PFIZER CONSUMER HEALTHCARE
(Updated 1/1/17)**

(Customer Name – Direct Buying Customer)	(Address)	
(City)	(State)	(Zip Code)

Effective Date: _____

In order to reduce non-value added costs and encourage continuous improvement and collaboration to reduce the root causes for unsaleable merchandise within the supply chain, Pfizer Consumer Healthcare, a division of Pfizer (“PCH” or the “Company”), as part of its Adjustable Rate Allowance and Product Disposition Policy, agrees to pay the Direct Buying Customer (the “Customer”) an adjustable rate allowance on the Company’s brands, in each case, listed on Attachment B, which may be revised from time to time by the Company (the “Eligible Brands” and the “Adjustable Rate Allowances”, respectively) (for the most current Eligible Brands and Adjustable Rate Allowance information visit www.PCHpolicies.com and click on Adjustable Rate Allowances and Product Disposition Policy), in full satisfaction of the Company’s responsibility for unsaleable merchandise and related costs or claims, all on the terms and subject to the conditions set forth this Agreement. Unsaleable merchandise, for the purposes of this Agreement, shall be defined as PCH products that are damaged, defective, expired, or products whose packaging is compromised to the degree that the product is not fit for sale to consumers.

1. The ARP Payment (as defined below) is designed to reimburse the Customer for all claims and expenses associated with unsaleable merchandise. No additional compensation will be paid for unsaleable merchandise. The Customer agrees that payments it receives under this Agreement are in lieu of and constitute complete satisfaction for all claims and obligations of the Company related to the foregoing matters.
2. At the end of each calendar quarter during the term of this Agreement, the Company will use the Adjustable Rate Allowances then in effect to calculate the Customer’s payment (the “ARP Payment”). The Adjustable Rate Allowances will be multiplied by the gross sales before cash discount of the Eligible Brands purchased by the Customer during the previous calendar quarter. The Adjustable Rate Allowances are subject to revision by the Company from time to time (for the most current Adjustable Rate Allowance information visit www.PCHpolicies.com and click on Adjustable Rate Allowance and Product Disposition Policy). From and after the effective date of such revision, the revised Adjustable Rate Allowances and Eligible Brands will be used to calculate the ARP Payment.

3. For each Eligible Brand an ARP Payment with respect thereto is earned only by customers who are directly purchasing such Eligible Brand in the quarter to which the payment relates. The Eligible Brands on which such ARP Payments are made may be revised from time to time by the Company (for the most current Eligible Brand information visit www.PCHpolicies.com and click on Adjustable Rate Allowance and Product Disposition Policy). The Company will make ARP Payments to the Customer by check. Payment will be made during the first half of the following calendar quarter. The Company reserves the right to withhold payment if Customer is determined by the Company to be a significant credit risk. This Agreement has been incorporated into the Adjustable Rate Allowance and Product Disposition Policy and the Company's Terms and Conditions of Sale.
4. The Customer agrees to properly dispose of all unsaleable merchandise in accordance with applicable laws, regulations, and the product disposal guidelines set forth in Attachment A attached hereto, which may be revised from time to time by the Company (the "Product Disposal Guidelines") (for the most current Product Disposal Guidelines visit www.PCHpolicies.com and click on Adjustable Rate Allowance and Product Disposition Policy) and to ensure unsaleable merchandise is not available for purchase by the consumer. Unsaleable merchandise shall not be resold.
5. While the Company and its representatives will not pick up, pay for or issue credit for unsaleable merchandise, it will, upon request as a service to the customer, arrange to be provided to the customer written instructions authorizing the return of damaged (but which must be unexpired) product that might be considered hazardous when sent for disposal or destruction. Such authorized, uncredited returns will go to the Company's designated third party processor for evaluation for donation. Attachment C contains a list of products that might be considered hazardous for disposal, along with their Hazardous Waste Codes (for the most current hazardous waste information visit www.PCHpolicies.com and click on Adjustable Rate Allowance and Product Disposition Policy). The Company will also provide written instructions authorizing the uncredited return, for destruction only, of damaged or expired products that contain List I chemicals such as PSE. Attachment D contains a list of those Company products containing List I chemicals such as PSE and that are currently available for sale by the Company. When authorized in writing, the products listed in Attachments C and D can be returned as directed at the Company's expense.

To obtain this authorization - Call 1-888-773-8876 and select option # 3.

6. With regard to unsaleable merchandise, the Company disclaims any express or implied warranties in connection with such unsaleable merchandise including without limitation warranties of merchantability or fitness for purpose. The ARP Payment will constitute the exclusive remedy for any claim by the Customer or any of its retail customers arising with respect to such unsaleable merchandise whether in contract, tort, or strict liability, or other legal basis. The Company will not be liable for any damages, including special, incidental, direct, or consequential.
7. To protect the Customer and Company, the Customer will cooperate with any product recall or withdrawal that may become necessary whether or not such product is damaged. The Company will provide separate reimbursement for recalled or withdrawn products.



8. Customers who are wholesalers agree to notify their retail customers that the Company is providing an Adjustable Rate Allowance to the Wholesaler as the exclusive remedy for unsaleable merchandise and that the Wholesaler has established a procedure to provide for the unsaleable merchandise of its retail customers. Because the Wholesaler receives the Adjustable Rate Allowance on all direct purchases, the Wholesaler accepts full responsibility for resolving claims by its retail customers for return of unsaleable merchandise supplied by the Wholesaler.

9. The Customer agrees not to take deductions from remittances for goods purchased from the Company for any matters covered by this Agreement. If such deductions are made and are not repaid prior to the next ARP Payment, the next ARP Payment will be reduced by the amount of such open deductions. If deductions exceed the ARP Payment or if Customer fails to comply with this Agreement, The Company reserves the right to withdraw credit terms and place Customer on a cash-in-advance basis.

10. Effective as of the July 1, 2007 this Agreement replaces the Company's previous Return Goods Policy and all previous programs for which product payments were made for unsaleable merchandise. This Agreement is subject to termination by the Company on 30 days' written notice.

Execution of this Agreement indicates the Customer has reviewed it and agrees to properly dispose of all unsaleable merchandise in accordance with all applicable local, state and federal regulations and the Product Disposal Guidelines.

_____	_____
(Signed For the Customer)	(Signed For the Company)
_____	_____
(Printed Name)	(Printed Name)
_____	_____
(Title)	(Title)

Return signed original ARP Agreement to:
Joshua Lipnick
Senior Manager, Supply Chain Operations
Pfizer Consumer Healthcare
1 Giralda Farms, Madison, NJ 07940

ATTACHMENT A

Product Disposition Guidelines

For the most current Product Disposal Guidelines visit www.PCHpolicies.com and click on Adjustable Rate Allowance and Product Disposition Policy

General Handling and Disposition Considerations

Proper product disposition is critical. When required to be disposed, all PCH products must be managed in accordance with all applicable local, state and federal regulations. Some of our items might be governed by hazardous waste regulations (Resource Conservation and Recovery Act – RCRA). Some investigation must be done to determine the proper method of product disposal. Contact PCH with any questions. Upon request, the Company may provide material safety data sheets containing chemical content information. However, this information shall NOT supersede federal, state, and local laws and regulations. It is Customer’s responsibility to contact the Company with any questions.

General Requirements

1. All unopened and unexpired PCH damaged merchandise should be donated to a local food bank (with the exception of products containing List I Chemicals which must be disposed of in a manner that makes them non-recoverable for the purpose of diversion for illicit drug manufacture) or destroyed in compliance with all federal, state, and local laws and regulations. A list of the Company’s products containing List I Chemicals is provided in Attachment D, which may be revised by the Company from time to time (for the most current list of List I Chemicals visit www.PCHpolicies.com and click on Adjustable Rate Allowance and Product Disposition Policy).
NOTE: DEA regulations exclude the disposition of List I Chemicals via “salvage” (e.g., re-sale in indistinct lots to non-registrants operating irregular distribution outlets such as flea markets).
2. Any opened or expired packages are to be destroyed in compliance with all federal, state and local laws and regulations.
3. At no time shall any damaged or expired merchandise be sold.
4. Disposition on recalls and/or withdrawals is excluded and will be determined on a case-by-case basis. Proper handling will be communicated to customers in the recall or withdrawal notification.
5. The Company will supply names of food banks that are associated with Feeding America upon request.

Product Condition/Disposition Considerations

1. Donate – Damaged consumer packages (nicks, dents, scuffs, etc.); when product is not opened, exposed/leaking or expired; product is not soiled/contaminated/adulterated by other exposed/leaking product. Products containing List I Chemicals should NOT BE DONATED. Products containing List I Chemicals must be disposed of in a manner that makes them non-recoverable for the purpose of diversion for illicit drug manufacture (for the most current list of products containing List I Chemicals visit www.PCHpolicies.com and click on Adjustable Rate Allowance and Product Disposition Policy).
2. Destroy – Damaged consumer packages; when product is exposed/leaking; product is soiled/contaminated by other exposed/leaking product.
3. Destroy – Damaged or undamaged consumer packages with broken or missing tamper resistant features.
4. Destroy – Damaged or undamaged consumer packages that have reached or passed the expiration date on the package.

PCH considers disposition of unsaleable merchandise by resale to or through salvage or secondary markets an infringement upon its Trademarks and reserves the right to seek reimbursement from customer for any damages or expenses resulting from such unauthorized sale.

PCH reserves the right to discontinue payments to any customer for Adjustable Rate Allowances and/or unsaleable merchandise under this Agreement if it is determined that the customer is in violation of these disposition guidelines.

Attachment B

For the most current Eligible Brands and Adjustable Rate Allowances visit www.PCHpolicies.com
and click on Adjustable Rate Allowance and Product Disposition Policy

Rates Effective January 1, 2017

Eligible Brands	Adjustable Rate
Pain Management	0.831%
Advil Advil Migraine Advil PM ThermaCare	
ChapStick	0.241%
Dietary Supplements	0.760%
Centrum Centrum Centrum Gummies Centrum Silver Centrum Specialist Centrum Kids Caltrate ProNutrients	
Gastrointestinal (x Nexium)	0.687%
Fibercon Prep H	
Nexium	0.859%
Respiratory	1.061%
Alavert Advil Cold & Sinus Advil Congestion Relief Dimetapp Primatene (Tablets Only) Robitussin Cough Syrups Children's Advil Anbesol	
Emergen-C	1.106%
Emergen-C Emergen-ZZZ	

ATTACHMENT C

For the most current Hazardous Waste information visit www.PCHpolicies.com and click on Adjustable Rate Allowance and Product Disposition Policy

ATTACHMENT C		
Hazardous Items		
Description	UPC	Waste Code
Primatene Mist Inhaler .5 oz. (Divested 7/2/08)	3-0573-2910-20-8	P042
Primatene Mist Refill .5 oz. (Divested 7/2/08)	3-0573-2910-30-7	P042
Primatene Mist Refill .75 oz. (Divested 7/2/08)	3-0573-2910-40-6	P042
Centrum 15 ct.	3-0005-4239-16-7	D010
Centrum 30 ct.	3-0005-4239-70-9	D010
Centrum 100ct.	3-0005-4451-70-5	D010
Centrum 200ct.	3-0005-4451-74-3	D010
Centrum 300ct.	3-0005-4451-72-9	D010
Centrum 365ct.	3-0005-4451-80-4	D010
Centrum Silver 30 ct.	3-0005-4463-50-0	D010
Centrum Silver 110ct.	3-0005-4463-67-8	D010
Centrum Silver 150 ct.	3-0005-4177-58-2	D010
Centrum Silver 220 ct.	3-0005-4177-90-2	D010
Centrum Silver 285ct.	3-0005-4463-71-5	D010
Centrum Silver Adult 80 ct.	3-0005-4463-81-4	D010
Centrum Silver Adult 125 ct.	3-0005-4463-91-3	D010
Centrum Ultra Women's 100 ct.	3-0005-4755-50-6	D010
Centrum Ultra Women's 200 ct.	3-0005-4755-70-4	D010
Centrum Ultra Women's 250 ct.	3-0005-4755-80-3	D010
Centrum Silver Ultra Women's 100 ct.	3-0005-4756-50-3	D010
Centrum Silver Ultra Women's 200 ct.	3-0005-4756-70-1	D010
Centrum Silver Ultra Women's 250 ct.	3-0005-4756-80-0	D010
Centrum Ultra Men's 100 ct.	3-0005-4757-50-0	D010
Centrum Ultra Men's 200 ct.	3-0005-4757-70-8	D010
Centrum Ultra Men's 250 ct.	3-0005-4757-80-7	D010
Centrum Silver Ultra Men's 100 ct.	3-0005-4758-50-7	D010
Centrum Silver Ultra Men's 200 ct.	3-0005-4758-70-5	D010
Centrum Silver Ultra Men's 250 ct.	3-0005-4758-80-4	D010
Centrum Specialist Energy 60 ct.	3-0005-4470-60-7	D010
Centrum Specialist Energy 120 ct.	3-0005-4470-13-3	D010
Centrum Specialist Vision 60 ct.	3-0005-4367-60-0	D010
Centrum Specialist Vision 120 ct.	3-0005-4367-95-2	D010
Centrum Specialist Prenatal 56 ct.	3-0005-4365-56-9	D010
Centrum Performance 60ct. (Discontinued 2011)	3-0005-4430-61-8	D010
Centrum Performance 120ct. (Discontinued 2011)	3-0005-4430-13-7	D010
Centrum Performance 150ct. (Discontinued 2011)	3-0005-4430-29-8	D010
Centrum Performance 45 ct. (Discontinued 2010)	3-0005-4430-45-8	D010
Centrum Performance 75 ct. (Discontinued 2010)	3-0005-4430-19-9	D010
Centrum 50 ct. (Discontinued 2010)	3-0005-4239-18-1	D010
Centrum 130 ct. (Discontinued 2010)	3-0005-4239-30-3	D010
Centrum 180 ct. (Discontinued 2010)	3-0005-4239-36-5	D010
Centrum 250 ct. (Discontinued 2010)	3-0005-4239-26-6	D010
Centrum 325ct. (Discontinued 2010)	3-0005-4451-75-0	D010
Centrum Silver 60 ct. (Discontinued 2011)	3-0005-4177-19-3	D010
Centrum Silver 100 ct. (Discontinued 2010)	3-0005-4177-23-0	D010
Centrum Silver 270ct. (Discontinued 2010)	3-0005-4463-70-8	D010



Important Note: The above list is based on federal regulations. Please make sure to consult state and local laws, rules and regulations, which may impose more stringent requirements and/or designate additional products as potentially hazardous for disposal. Customer is responsible, at customer's expense, for properly disposing of all unsaleable merchandise in accordance with all applicable laws, rules and regulations.

ATTACHMENT D

For the most current list of Products containing List I Chemicals visit www.PCHpolicies.com and click on Adjustable Rate Allowance and Product Disposition Policy

Products Containing LIST I CHEMICALS	
Description	UPC
Advil Cold & Sinus - Caplet 20 ct.	3-0573-0180-10-8
Advil Cold & Sinus - Caplet 40 ct.	3-0573-0180-21-4
Advil Cold & Sinus - Liqui-Gel 16 ct.	3-0573-0184-16-8
Advil Allergy Sinus - Caplet 20 ct.	3-0573-0188-10-4
Advil Multi-Symptom Cold - Caplet 10 ct.	3-0573-0198-10-3
Alavert D Allergy & Sinus 12 Hour - Tablets 12 ct.	3-0573-2660-12-7
Alavert D Allergy & Sinus 12 Hour - Tablets 24 ct.	3-0573-2660-24-0
Primatene - Tablets 24 ct.	3-0573-2952-10-9
Primatene - Tablets 60 ct.	3-0573-2952-20-8
Robitussin Cough & Cold D - 8 oz. (Discontinued 2009)	3-0031-8704-19-6
Robitussin Cough & Cold D - 8 oz. (Discontinued 2010)	3-0031-8706-18-3