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Section 1: Unauthorized Deductions

1.1 Unauthorized deductions are defined as deductions that do not comply with the below deduction process. A deduction that is taken outside of the guidelines or that does not reference a valid GSK Credit memo for proper off setting is considered unauthorized.

A list of unauthorized deductions are as follows:

- **Shortage** in full or partial quantities, or where GSK did respond to your shortage claim within 30 days.
- **Product Return Discrepancies** are within GSK's returns goods product and pricing policy, or where GSK did respond to your return discrepancy claim within 30 days.
- **Pricing Differences for invoice sales** or disputes where customer's purchase order price and GSK's invoiced price do not match or where GSK did respond to your price difference claim within 30 days.
- **Audit or Aged Deductions** taken for issues found through a customer's internal or external audits or for previously denied claims or deductions.
- **Unearned Cash Discounts** – Prompt Pay Discounts taken after net discount due date.
- **Any Denied Claims** – a deduction taken against a denied claim.
- **Duplicate Deductions** a re-deduction for additional credit against a previously denied deduction is considered unauthorized.
- **Any Miscellaneous or Unexplained Deductions** taken against an invoice that does not comply with GSK's Claim processing and Deduction Guidelines
- **Chargebacks – Original EDI Submissions** unless GSK did not issue Credit or denial within 10 days from the receipt date of claim.
- **Chargebacks – Resubmissions** via EDI or GSK's eCS website unless GSK did not issue Credit or denial within 30 days from the receipt date of claim.
- **Chargebacks – "Net priced products"** which are invoiced with the contract pricing reflected on the invoice to the Authorized Distributor (AD).

Section 2: Non-Chargeback Claim Processing

2.1 Any potential claim that an Authorized Distributor (AD) has with GSK must be addressed with their GSK Customer Service Representative within 14 days of receiving date or within 18 days of GSK Invoice date whichever is earlier. If the claim has met the criteria above, a Credit will be issued. If the claim has not met the criteria above, the claim will be denied. GSK Customer Service will issue a Credit or denial within thirty days (30) of the claim receipt date. If GSK fails to respond to customer's claim for dispute within 30 days from receipt of the claim, the AD has the right to deduct the claim. Deductions taken before 30 days after claim submission or after claim denial will be considered unauthorized and must be repaid within 10 days.

2.2 Returns will be processed within 30 days of receipt of the return at GSK's Returns Vendor. Once GSK issues credit or denial, a claim may be filed for any disputes or discrepancies (any difference between GSK's Credit and the Customer's debit amount) other than those discrepancies that are within GSK's Product and Pricing Policy in effect at the time of the return. If GSK fails to respond to customer's claim within 30 days from receipt of the claim, or 45 days after DM issue date, the AD has the right to deduct the claim.

2.3 If GSK does not communicate the reason for delayed claims to meet the service levels above for claims processing, the AD has the right to deduct the claim.

Section 3: Chargeback Claim Processing

3.1 Any potential Chargeback claim that an AD has with GSK must be submitted in accordance with the Contract and Chargeback Policies and Procedures

3.2 If AD chargeback data aligns to GSK Contract(s), a Credit will be issued at the contract price valid at the time of the original sale. If the claim does not align to a GSK Contract(s) GSK may issue credit for contract price valid at the time of the original sale or the claim will be denied. GSK's Chargeback Operations Department will issue a Credit or denial within:

- Original EDI submissions will be processed within ten (10) days of the chargeback claim receipt date.
- Original GSK Manual Header & Chargeback Line Excel Template will be processed within twenty (20) days of the chargeback claim receipt date with accurate and complete data.
- Resubmissions via EDI or GSK's eCS website will be processed within thirty (30) days of the chargeback claim receipt date.

3.3 If GSK does not communicate the reason for delayed credit payments to meet the service levels above for chargeback claims processing, the AD has the right to deduct the Chargeback claim.

Section 4 Authorized Deduction Submission and Unauthorized repayment guidelines

4.1 If GSK fails to provide response to a claim within the guidelines above, the following documentation is required for a deduction submission.

- Deduction Support must be received with 3 business days of the deduction submission to the accounts receivable team.
- GSK Accounts receivable will respond within 5 days of your deduction.

4.2 A denied deduction must be paid back within 10 days of the denial communication.

- Failure to payback a denied deduction within 10 days is considered an Unauthorized Deduction and will follow the guidelines above.
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