



Modifications to Credit Policy in Response to Requests and in Preparation for Enhanced Brand Pharmaceutical Program Offering

The following 3 pages are for your review of an enhancement we have made to our payment options for our pharmacies **utilizing the API warehouse.**

Page 2—Credit Policy

This attached page details modifications made to our credit policy for **API direct warehouse purchasing.** The changes are an enhanced offering of a discounted payment terms options. Though we are aware many stores have experienced some cash flow challenges caused by Medicare Part D changes, we have also had requests to offer modifications that could provide profit margin enhancement solutions. This discounted payment terms offer is one area we have made modifications to allow accounts desiring the ability to enhance profitability via lowering purchasing costs.

Page 3—Payment Terms Election Form

For efficient implementation of the credit policy we will need to assign default payment terms to each accounts master customer record. This will allow our warehousing software to automatically assign payment terms selected to all invoices without the need for individual invoice assignment of payment terms. NOTE: For those accounts participating on the 3-P program or other extended dating programs for generic pharmaceuticals, this change will not impact those programs. We need each active account to complete this form and return to the API warehouse. **If you wish to use one of the discounted payment terms options you must complete and return this form.** If we do not receive this completed form your account will be assigned its current payment terms option as your default option for the future.

Page 4—ACH/EFT Credit/Debit Authorization Form

This form is to be completed by any accounts that are NOT currently paying API via ACH/EFT and that wish to participate with one of the discounted payment terms option. WE DO NOT NEED THIS FORM COMPLETED BY ANY ACCOUNTS THAT ARE CURRENTLY PAYING API VIA ACH/EFT UNLESS YOU HAVE AN ALTERNATE BANK ACCOUNT YOU WANT TO USE.

There will be changes made to the brand pharmaceutical program offering that will be positive changes for those accounts choosing the discounted payment terms options. These changes are being finalized and we expect to communicate those changes to the pharmacies within 30 days.

Thank you for your continued support and we are excited to bring these additional profit enhancement options for your review and utilization.

**Jon Copeland, R.Ph.
Chief Executive Officer**