

## 1.0 PURPOSE

The purpose of this Business Practice (BP) is to explain the internal rebate process and how rebate agreements are created, maintained, and used to reconcile rebates according to the appropriate finance policies.

## 2.0 SCOPE

This Business Practice applies to all Amgen rebate agreements that are created and maintained within the Global ERP system.

## 3.0 ROLES AND RESPONSIBILITIES

Role	Responsibility
Management	Ensure that this procedure is followed and staff receive training
Staff	Complete required training
International Pricing Operations	<ul style="list-style-type: none"><li>• Create rebate agreements</li><li>• Change rebate agreement (accrual, payment, settlement)</li><li>• Creates credit memo request</li></ul>
Finance/Accounts Receivable	<ul style="list-style-type: none"><li>• Release blocks</li><li>• Process and release manual accruals</li><li>• Process and release credit memo requests</li></ul>
Customer Service	Perform billing run

## 4.0 REFERENCES

Not Applicable

## 5.0 DEFINITIONS

Terms	Definition
IPO	International Pricing Operations
Rebate Agreements	Credit or debit provided to Amgen customer per contract agreement

## 6.0 EQUIPMENT

Not Applicable

## 7.0 MATERIALS

Not Applicable

## **8.0 SAFETY**

Not Applicable

## **9.0 PRACTICE**

The internal rebate processes automatic accruals and requests from International Pricing Operations (IPO) indicating that a rebate payment is due a customer. IPO receives material, customer, and contract pricing information from the respective department required to process the agreement. The appropriate user creates a rebate agreement for the customer if it is determined that an agreement does not exist. However, if an agreement does exist, then the user changes or displays the agreement as needed. The rebate accruals are summarized and credit memo requests are created based upon the frequency (quarterly, monthly, annually) stated within each rebate agreement. If needed, the system creates remittance advice in a form based upon the customer's payment method in the customer master. Accounts can also be settled on demand.

### **9.1 Internal Rebate**

9.1.1 IPO requests a rebate payment to a customer.

### **9.2 Contract Pricing**

9.2.1 IPO creates the rebate agreement.

### **9.3 Finance/Accounts Receivable**

9.3.1 Processes manual accruals and releases credit memos.

### **9.4 Customer Service**

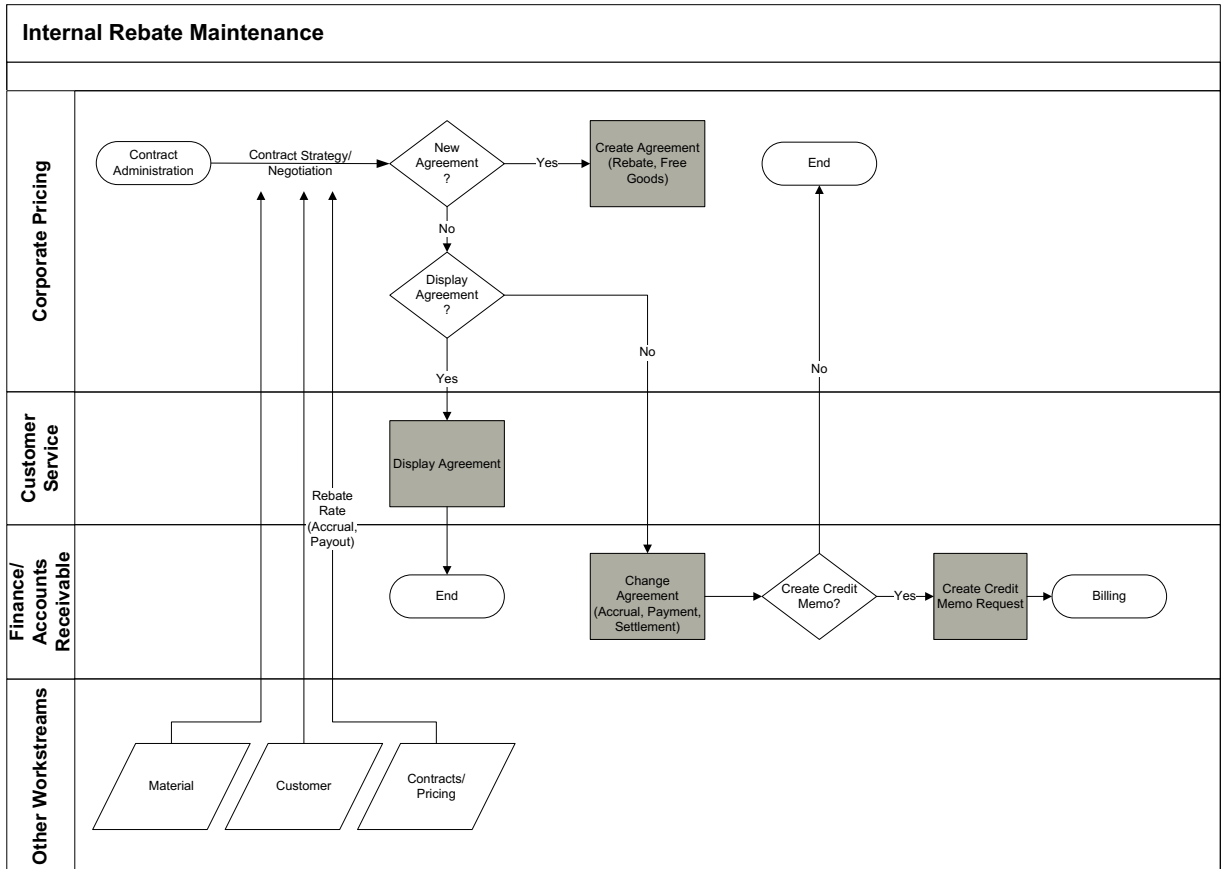
9.4.1 Performs the billing run.

### **9.5 Finance/Accounts Receivable**

9.5.1 Releases credit memo requests.

## APPENDIX 1

### Internal Rebate Process



**DOCUMENT HISTORY**

<b>Change</b>	<b>Justification</b>
1. Updated text in section 9.0	Clarify the purpose of this document
2. Migrated document into new BP template	Required for ERP North America implementation