

1.0 PURPOSE

The purpose of this Business Practice (BP) is to describe the global standardized business processes relevant to order creation in the Global Enterprise Resource Planning (GERP) system through the Sales Order view.

2.0 SCOPE

This Business Practice applies to the creation of orders within the GERP System Sales Order view. Business processes for transactions that require order creation are described in this document.

3.0 ROLES AND RESPONSIBILITIES

Role	Responsibility
Management	<ul style="list-style-type: none">• Ensure that this procedure is followed• Ensure that staff receive training
Staff	<ul style="list-style-type: none">• Complete required training
Trade Operations/ Customer Service/ Customer Care (Inclusion of all roles and responsibilities varies by sales organization.)	<ul style="list-style-type: none">• Own the GERP Sales Order Processing view• Review and authorize orders for commercial trading partners• Analyze and perform placement, release, or rejection of all blocking data that may occur to all sales orders except those that are Global Trade Service (GTS) orders or are financially relevant• Analyze and perform release of, or rejection of, delivery or billing blocks that may occur to sales orders, as appropriate• Support Electronic Data Interface (EDI) and eCommerce order activities to allow successful order creation (i.e., Intermediate Document [iDoc] monitoring)• Provide front line trading partner liaison for all order-related events• Provide pricing information for an authorized/active trading partner• Provide pricing information for a released and valid product (not in the U.S.)• Create, change, and/or display the following:<ul style="list-style-type: none">• Standard Drop Ship Order• Standard Return Order• Standard Third Party Return Credit Note Order• Standard Third Party Return Check Payment Order• Free Goods Order• Free Goods Return Order• Standard Credit Note Order• Standard Debit Note Order

	<ul style="list-style-type: none"> • Price Inquiries • Quotations
Global Clinical Supply Chain	<ul style="list-style-type: none"> • Review and authorize orders for Clinical Drug Supply System (CDSS) internal Amgen customers • Create, change, and display pre-clinical and clinical orders • Review and authorize pre-clinical and clinical orders as per appropriate guidelines
Corporate Planning/ Partnership Accounting	<ul style="list-style-type: none"> • Review and authorize affiliate orders as per appropriate guidelines • Perform review, rejection, and/or release for affiliate orders that may be placed on delivery or billing block • Create, change, and display affiliate orders
Corporate Transportation	<ul style="list-style-type: none"> • Analyze and perform release or rejection of Global Trade Service (GTS) blocks that may occur to sales orders due to customer entity/entities checking against the GTS Sanctioned Party List (SPL) and global trade embargoes
Customer Finance/ Accounts receivable	<ul style="list-style-type: none"> • Analyze and perform release or rejection of credit blocks that may occur to sales orders where a customer has exceeded credit threshold or for any financial reason, as deemed necessary by Customer Finance (CF) and Accounts Receivable
Product Distribution	<ul style="list-style-type: none"> • Perform logistic execution for orders that impact material movement

4.0 REFERENCES

Not Applicable

5.0 DEFINITIONS

Terms	Definition
AOM	Aberrant Order Management
AOQ	Average Order Quantity
Available to Pay (ATP)	Function used to check, together with certain methods, if a product can be confirmed for an order
CCS	Contracts and Chargeback System
CDSS	Clinical Drug Supply System
CF	Customer Finance
CMS	Change Management Service
EDI	Electronic Data Interface
ERP	Enterprise Resource Planning
GERP	Global ERP

Global Trade Service (GTS)	The name of the system responsible for scanning orders against the embargo and trade sanctioned list
iDoc	Intermediate Document
PO	Purchase Order
RMA	Return Material Authorization
Sales Organization	The organization unit responsible for the sale of certain products or services. The responsibility of a sales organization may include legal liability for products and customer claims.
Sanctioned Party List (SPL)	An official list of individuals or organizations that are denied certain trade privileges or with whom trade is banned. Sanctions can include denying a party the benefit of export licenses loans, government bonds, or funds. Denials can also include restriction of services such as assisting in the import or export of goods or sale of goods to a particular government.
WAC	Wholesaler Acquisition Cost

6.0 EQUIPMENT

Not Applicable

7.0 MATERIALS

Not Applicable

8.0 SAFETY

Not Applicable

9.0 PRACTICE

9.1 This BP has the following pre-requisites:

- Active Customer Master Record
- Active Material Master Record
- Active Pricing Record/Condition
- Customer and material combination must not be part of the Material Exclusion Listing.

9.2 Order types created in the GERP Sales Order view include the following:

- Standard Order
- Standard Drop Ship Order

- Standard Return Order
- Pre-clinical/Clinical Order
- Standard Affiliate Return Credit Note Order
- Standard Affiliate Return Check Payment Order
- Free Goods Order
- Free Goods Return Order
- Standard Credit Note Order
- Standard Debit Note Order
- Chargeback Credit/Debit Order
- Rebate Credit/Debit Order
- Medicaid Credit/Debit Order
- Affiliates

9.3 An order includes an event that requires a transaction in the Sales Order view to cause any or all of the following events to take place:

- Logistic Execution—impacts material goods movement
- Billing—generates invoicing and stimulates accounting general ledger posting and activities
- Credit/Debit Note Issuance—does not impact material good movement and results in a credit owed or due to a customer
- Check Issuance—results on a check payment to a customer

9.4 A Standard Order for a material is received via EDI, eCommerce, fax, or interface.

NOTE: Phone orders are not accepted as a normal business practice.

The following steps refer to the Standard Order procedure in Appendix 1 and apply to Standard Orders that are either direct to a trading partner or a drop ship on behalf of a trading partner.

Trade Operations Standard Order

9.4.1 Create a Standard Order in the global ERP system with the following information:

- Order Type
- Sales Organization
- Distribution Channel
- Division

- Ship To, Sold To, Bill To, and Payer (any one of four required)
- Purchase Order (PO) Number
- PO date (default); name of purchase agent or method received (default)
- Requested delivery date (system default but may be changed)
- Order Quantity (required)
- Material (required)
- Pricing (default from Customer Master)
- Taxes (default/Taxware decision)
- Pricing Date (default, but may be changed)
- Payment terms (default, but may be changed)
- Plant (required; default from Customer Master, but may be changed)
- Order Header Reason Code (when required)
- Line Reason Code (when required)
- Header Second Reason Code (when required)
- Requested Delivery Date (default, but may be changed)
- Ship Date (default, but may be changed)
- Shipping Condition, but may be changed)
- Sales Texts (default or may be added)
- Net Value (default)

9.4.2 Order is checked against Material Inclusion or Exclusion Listing, depending on Sales Organization.

- If the Material Inclusion check succeeds, then the order continues.
- If the Material Inclusion check fails, then the order cannot be saved until the material is removed.
- If the Material Exclusion check is not a positive match, then the order continues.
- If the Material Exclusion is a positive match, then the order cannot be saved until the material is removed.

9.4.3 Automatic GTS check at order entry.

- If the GTS check succeeds, then the order continues.

- If the GTS check fails, then the order is blocked and the GTS team is notified for disposition.

9.4.4 Automatic Available to Promise (ATP) check at order entry for standard and free goods orders that result in material shipments to a customer.

- If the ATP check succeeds, then the order continues.
- If the ATP check fails, then the system places a delivery block on the entire sales order for Trade Operations to review and handle.
- Trade Operations confers with Product Distribution on ATP issues to determine customer impact and the availability date of the backlogged item(s).
- Trade Operations contacts the customer for resolution options:
 - The backlogged item(s) is removed from the order and the remaining products pass through to logistics execution.
 - The order remains on backlog delivery block until the backlog item passes ATP check.
 - The backlog item is rerouted to another plant and the order is removed from the delivery block.
- When a Backlog Order Delivery block is applied, the order is held pending a specific future product availability date, or the order is held until the backlogged product is available, irrespective of a known availability date.
- The global ERP system performs periodic inventory checks and systematically releases ATP-blocked orders without user intervention.

9.4.5 Automatic credit check at order entry for standard orders, credits, debits, and returns.

- If the credit check succeeds, then the order continues.
- If the credit check fails, then the order is blocked and Finance is notified. (Orders blocked for failed credit checks can only be released by an authorized Finance user.)

9.4.6 The order is checked to see if cash in advance is required.

- If cash in advance is not required, then the order continues.
- If cash in advance is required, then the order is blocked until cash is received. This creates a pro forma invoice.
- CF releases the block after funds are received and verified.

9.4.7 The order is checked against the Customer Master record for material listings, material exclusions, blocking data, and Complete Delivery Only flags.

- When a Complete Delivery Only flag exists, the global ERP system issues a block to prevent partial shipping. Trade Operations reviews the block and releases it as appropriate.
- Where a material on an order is a positive match to the material exclusions listing, a block is issued to prevent creating an order for that item.
- When blocking data is present, the corresponding block is applied to the order.

NOTE: Depending on the type of block, order, delivery, or billing, the creation may be allowed or stifled, as appropriate.

9.4.8 The order is checked against Aberrant Oder Management (AOM) criteria for all materials on that order based on the following hierarchy rules:

- The Aberrant Order Threshold table is checked against the customer group plus the material combination of the order. If a match is found and the order quantity breeches the Average Order Quantity (AOQ) threshold, then the order is blocked. If no match is found or the threshold is not breeched, then the order continues to the next AOM rule.
- The system AOM target moves to a 90-day dynamic automated historical AOQ value for the ship-to customer and each material. If the AOQ threshold is breeched the order is blocked. If there is no breech, then the AOM check stops and the order continues.
- Detected aberrant patterns block the order from delivery.
- Trade Operations review blocks and releases as appropriate.

9.4.9 The order is checked against a predefined customer item and quantity quotas.

- Items exceeding quota amounts are blocked.
- Trade Operations reviews and releases the order, as appropriate.

9.4.10 The order is checked against the Customer Master record for pricing. Wholesaler Acquisition Cost (WAC) or contract pricing is applied based on the flagged value within the Customer Master.

- For non-contracted customers, the current effective WAC pricing is immediately populated in the order.
- For contract pricing customers, pricing is retrieved from a real time interface with Contracts and Chargeback System (CCS) that maintains pricing and contract relations specific to a contracted customer, and current contracted pricing is populated in the order. Expired contracts default to WAC pricing.

9.4.11 The order number is assigned when the order is saved. When the order is completed and the appropriate blocks have been released, a background batch process creates a Delivery Note for all approved standard and free goods orders.

NOTE: At the time of save the order undergoes a completeness check. If the order fails the completeness check, the system generates a message and the order appears on an incompletion log. Trade Operations reviews the incompletion log. All required incomplete values must be populated before the order is complete and saved.

9.5 A Free Goods Order is received via EDI, e-Commerce, approved request form, or via inter-office in a pre-approved request form.

The following steps refer to the Free Goods Order process flow in Appendix 2.

NOTE: Free goods orders originate through sales or other recognized business units and are then transmitted via EDI or inter-office in a pre-approved request form for fulfillment. Free goods orders are never accepted verbally, without the appropriate approval process, or without appropriate business justifications.

9.5.1 Create Free Goods Order in the global ERP system with the following information:

- Order Type
- Sales Organization
- Distribution Channel
- Division
- Ship To, Sold To, Bill To, and Payer (any one of four required)
- Purchase Order Number
- PO date (default); name of purchase agent or method received (default)
- Requested delivery date (system default but may be changed)
- Order Quantity (required)
- Material (required)
- Pricing (default from Customer Master)
- Taxes (default/Taxware decision)
- Pricing Date (default, but may be changed)
- Payment terms (default, but may be changed)
- Plant (required; default from Customer Master, but may be changed)
- Order Header Reason Code (when required)
- Line Reason Code (when required)

- Header Second Reason Code (when required)
- Requested Delivery Date (default, but may be changed)
- Ship Date (default, but may be changed)
- Shipping Condition, but may be changed)
- Sales Texts (default or may be added)
- Net Value (default)

9.5.2 Automatic GTS check runs at order entry

- If GTS check succeeds, then the order continues.
- If GTS check fails, then the order is blocked and GTS team is notified.

9.5.3 Automatic ATP check runs at order entry.

- If ATP check succeeds, then the order continues.
- If ATP fails, then the order is changed to remove the unavailable items, and the order ships without them,

OR

- The Backlog Order Delivery Block applies. When a Backlog Order Delivery Block applies, then the order is held pending a specific future product availability date, or the order is held until the backlogged product is available, irrespective of a known availability date.
- The global ERP system performs periodic inventory checks and systematically releases ATP-blocked orders without user intervention.

9.5.4 The Order Number is assigned when the order is saved. When the order is completed and appropriate holds have been released, a background batch process creates a Delivery Note for all approved standard and free goods orders.

9.6 A Clinical Order is placed.

The following steps refer to the Free Goods Order process flow in Appendix 2.

NOTE: The Clinical Order process places orders for the internal Amgen CDSS customer.

Clinical Order

9.6.1 Create a Clinical Order in the global ERP system with the following information:

- Order Type
- Sales Organization
- Distribution Channel

- Division
- Ship To, Sold To, Bill To, and Payer (any one of four required)
- Purchase Order Number
- PO date (default); name of purchase agent or method received (default)
- Requested delivery date (system default but may be changed)
- Order Quantity (required)
- Material (required)
- Pricing (default from Customer Master)
- Taxes (default/Taxware decision)
- Pricing Date (default, but may be changed)
- Payment terms (default, but may be changed)
- Plant (required; default from Customer Master, but may be changed)
- Order Header Reason Code (when required)
- Line Reason Code (when required)
- Header Second Reason Code (when required)
- Requested Delivery Date (default, but may be changed)
- Ship Date (default, but may be changed)
- Shipping Condition, but may be changed)
- Sales Texts (default or may be added)
- Net Value (default)

9.6.2 Automatic GTS check runs at order entry

- If GTS check succeeds, the order continues.
- If GTS fails, the order is clocked and GTS team is notified.

9.6.3 Automatic ATP check runs at order entry.

- If ATP check succeeds, the order continues.
- If ATP fails, then
 - The order is changed to remove the unavailable items, and the order ships without them,

OR

- The Backlog Order Delivery Block applies. When a Backlog Order Delivery Block applies, then the order is held pending a specific future product availability date, or the order is held until the backlogged product is available, irrespective of a known availability date.

9.6.4 The Order Number is assigned when the order is saved. When the order is completed and appropriate holds have been released, a background batch process creates a Delivery Note for all approved standard and free goods orders.

9.7 A Pre-clinical Order is placed.

The following steps refer to the Free Goods Order process flow in Appendix 2.

Pre-clinical Order

9.7.1 Create a Pre-clinical Order in the global ERP system with the following information:

- Order Type
- Sales Organization
- Distribution Channel
- Division
- Ship To, Sold To, Bill To, and Payer (any one of four required)
- Purchase Order Number
- PO date (default); name of purchase agent or method received (default)
- Requested delivery date (system default but may be changed)
- Order Quantity (required)
- Material (required)
- Pricing (default from Customer Master)
- Taxes (default/Taxware decision)
- Pricing Date (default, but may be changed)
- Payment terms (default, but may be changed)
- Plant (required; default from Customer Master, but may be changed)
- Order Header Reason Code (when required)
- Line Reason Code (when required)
- Header Second Reason Code (when required)

- Requested Delivery Date (default, but may be changed)
- Ship Date (default, but may be changed)
- Shipping Condition, but may be changed)
- Sales Texts (default or may be added)
- Net Value (default)
- Schedule lines, delivery plant, shipping point, and delivery dates and terms

9.7.2 Automatic GTS check runs at order entry

- If GTS check succeeds, the order continues.
- If GTS fails, the order is clocked and GTS team is notified.

9.7.3 Automatic ATP check runs at order entry.

- If ATP check succeeds, the order continues.
- If ATP fails, then
 - The order is changed to remove the unavailable items, and the order ships without them,

OR

 - The Backlog Order Delivery Block applies. When a Backlog Order Delivery Block applies, then the order is held pending a specific future product availability date, or the order is held until the backlogged product is available, irrespective of a known availability date.

9.7.4 The Order Number is assigned when the order is saved. When the order is completed and appropriate holds have been released, a background batch process creates a Delivery Note for all approved standard and free goods orders.

9.8 Affiliate Order

The following steps refer to the Standard Order procedure in Appendix 1.

9.8.1 Create an Affiliate Order in the global ERP system with the following information:

- Order Type
- Sales Organization
- Distribution Channel
- Division
- Ship To, Sold To, Bill To, and Payer (any one of four required)

- Purchase Order Number
- PO date (default); name of purchase agent or method received (default)
- Requested delivery date (system default but may be changed)
- Order Quantity (required)
- Material (required)
- Pricing (default from Customer Master)
- Taxes (default/Taxware decision)
- Pricing Date (default, but may be changed)
- Payment terms (default, but may be changed)
- Plant (required; default from Customer Master, but may be changed)
- Order Header Reason Code (when required)
- Line Reason Code (when required)
- Header Second Reason Code (when required)
- Requested Delivery Date (default, but may be changed)
- Ship Date (default, but may be changed)
- Shipping Condition, but may be changed)
- Sales Texts (default or may be added)
- Net Value (default)

9.8.2 Automatic GTS check runs at order entry.

- If GTS check succeeds, the order continues.
- If GTS fails, the order is clocked and GTS team is notified.

9.8.3 Automatic ATP check runs at order entry.

- If ATP check succeeds, the order continues.
- If ATP fails, then
 - The order is changed to remove the unavailable items, and the order ships without them

OR

 - The Backlog Order Delivery Block applies. When a Backlog Order Delivery Block applies, then the order is held pending a specific future product

availability date, or the order is held until the backlogged product is available, irrespective of a known availability date.

9.8.4 The Order is checked against Customer Master pricing, Wholesaler Acquisition Cost (WAC) pricing or by customer code group pricing.

- Current effective WAC pricing is populated in the order immediately.
- Contract pricing is retrieved from the external Change Management Service (CMS) system and current contracted pricing is populated in the order. Expired contracts default to WAC pricing.

9.8.5 The Order Number is assigned when the order is saved. When the order is completed and appropriate holds have been released, a background batch process creates a Delivery Note for all approved standard and free goods orders.

9.9 Return Order

The following refers to the Return Order process flow in Appendix 3.

Trade Operations

9.9.1 Create Return Order (Manual)

9.9.1.1 Include the following information when creating a Return Order by referring to an original document:

- Original order or billing document number
- Verify Sold to and Ship to information
- Customer debit memo number
- Sales organization
- Return quantity
- Order reason
- Header reason—mandatory (used, unused, missing, used and destroyed at site or unused and destroyed at site)
- Line Item reason code—optional (if copied from the billing document the batch number is copied)
- Type of return (Item Category—return to stock, return for destruction or quality complaint)
- If a Return Material Authorization (RMA) is required, print, email, or fax it to returning party
- If an RMA was sent, instruct returning party how to return the product and to include the RMA number with the return

9.9.1.2 Include the following information when creating a Return Order without referring to an original document:

- Partner numbers (Sold to and Ship to account numbers)
- Contact name and phone number
- Item numbers
- Return quantity
- Batch number optional
- Order reason
- Header reason—mandatory (used, unused, missing, used and destroyed at site or unused and destroyed at site)
- Line Item reason code—optional
- Type of return (Item Category—return to stock, return for destruction or quality complaint)
- If a Return Material Authorization (RMA) is required, print, email, or fax it to returning party
- If an RMA was sent, instruct returning party how to return the product and to include the RMA number with the return
- If there is no physical product to be returned, request a letter of explanation. Upon receipt of the letter issue a Credit Memo.

9.9.2 Review the Return Order. Remove blocks, etc.

- Automatic the batch process of the Delivery Note to the Warehouse Management system
- Logistics

9.9.3 Create Return Order (EDI)

NOTE: EDI Return Order is a notification of a return accepted by Amgen's approved Affiliate vendor.

9.9.3.1 When a Return Order that refers to an original document is created, include the following information:

- Sales organization (default)
- Return quantity (default)
- Order/Header reason—mandatory
- Line Item reason code—mandatory

- Type of return (Item Category, back to stock for destruction, default, or quality complaint)
- If creating without reference include the following information:
- Partner numbers (Sold to, Ship to, and account numbers)
- Item numbers
- Batch number (optional)
- Return quantity
- Order/Header reason
- Type of return (Item Category, back to stock, for destruction, or quality complaint)

9.9.4 Review the Return Order and disposition of any pending issues

- Trade Operations removes blocks (US, Canada, and EU)
- Finance removes blocks (EU and North America)

9.10 Create Credit or Debit Memo

The following refers to the Return Order process flow in Appendix 3.

There is a request to return a product—return for destruction, return to stock, or a quality complaint. A Credit/Debit Note Order is received either by interface transfer or manual entry.

NOTE: Credit/debit orders do not impact material goods movement.

9.10.1 Create a Credit/Debit Memo in the global ERP system with the following information:

- Order Type
- Sales Organization
- Distribution Channel
- Division
- Ship To, Sold To, Bill To, and Payer (any one of four required)
- Purchase Order (PO) Number
- PO date (default); name of purchase agent or method received (default)
- Requested delivery date (system default but may be changed)
- Order Quantity (required)
- Material (required)

- Pricing (default from Customer Master)
- Taxes (default/Taxware decision)
- Pricing Date (default, but may be changed)
- Payment terms (default, but may be changed)
- Plant (required; default from Customer Master, but may be changed)
- Order Header Reason Code (when required)
- Line Reason Code (when required)
- Header Second Reason Code (when required)
- Requested Delivery Date (default, but may be changed)
- Ship Date (default, but may be changed)
- Shipping Condition, but may be changed)
- Sales Texts (default or may be added)
- Net Value (default)

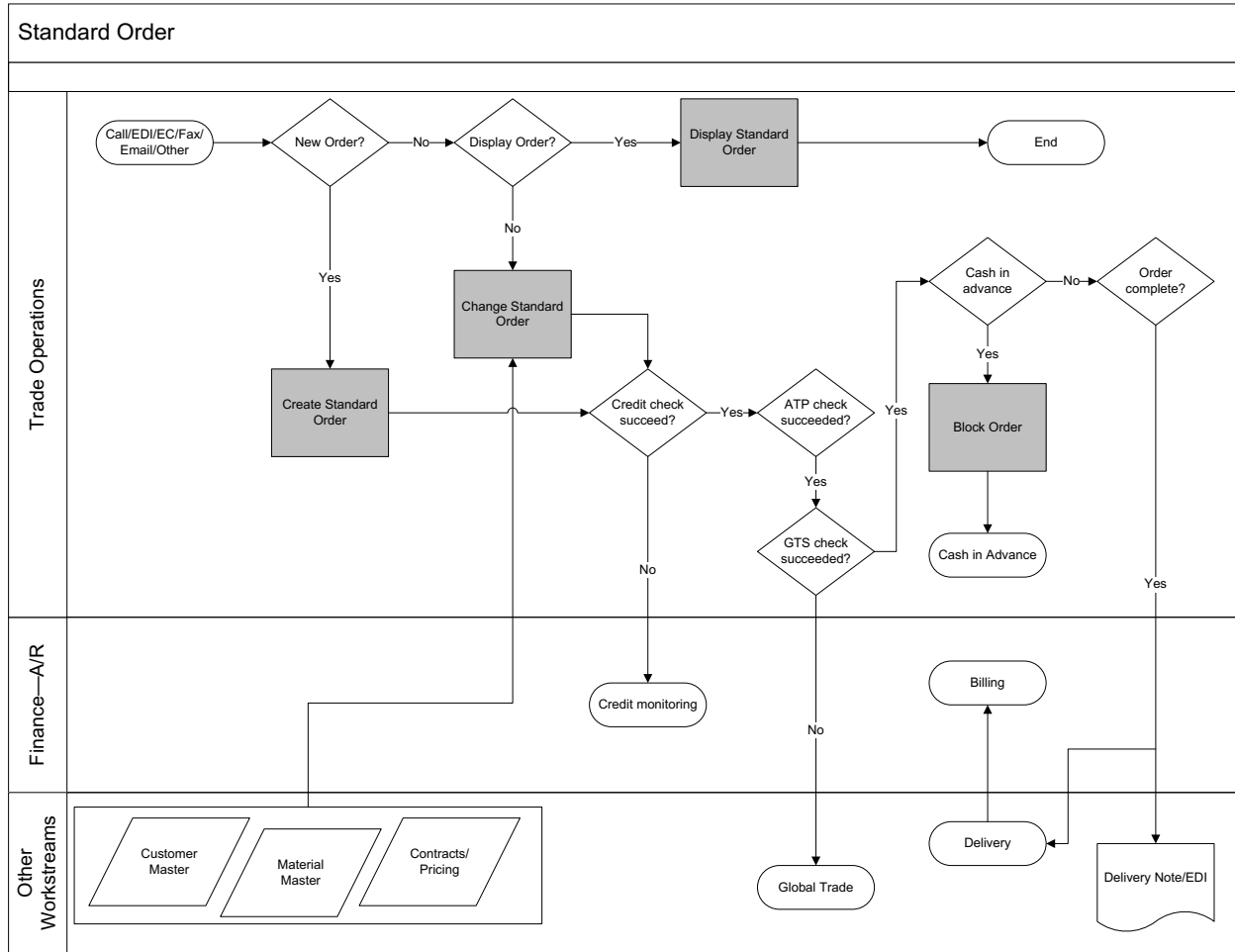
9.10.2 Automatic GTS check at order entry.

- If the GTS check succeeds, then the order continues.
- If the GTS check fails, then the order is blocked and the GTS team is notified for disposition.

9.10.3 The order number is assigned when the order is saved. When the order is completed and the appropriate blocks have been released, a background batch process creates a Delivery Note for all approved standard and free goods orders.

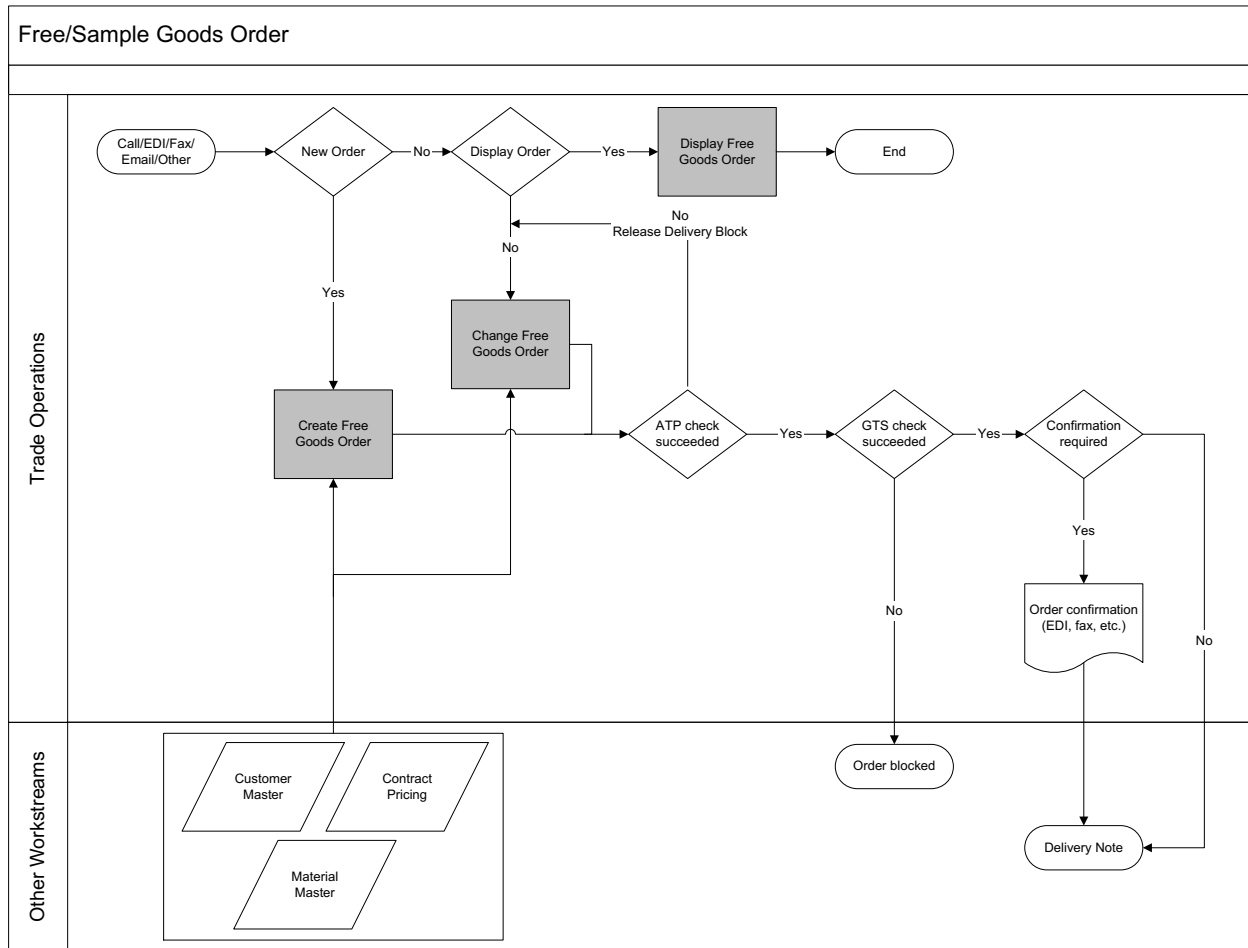
APPENDIX 1

Standard Order Procedure



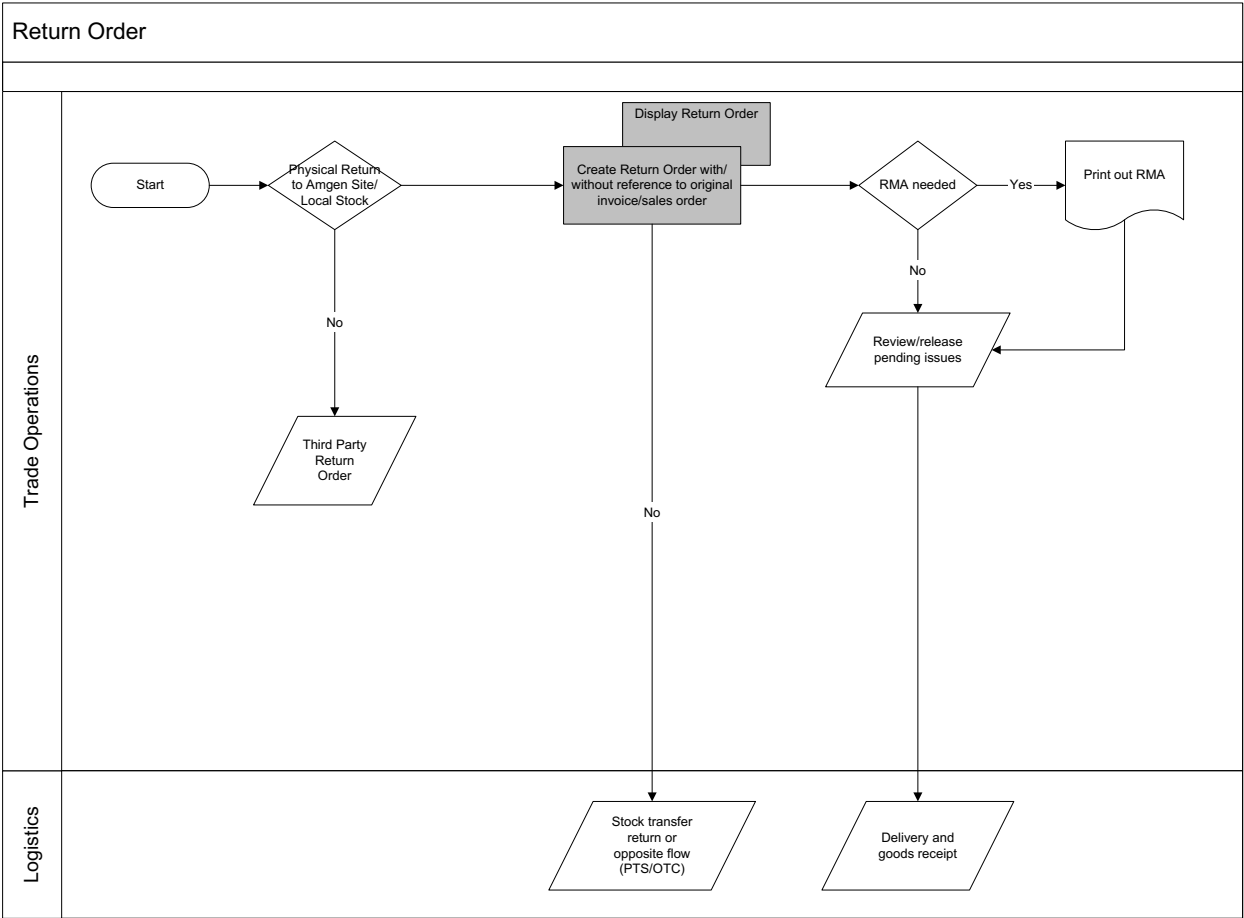
APPENDIX 2

Free/Sample Goods Order Procedure



APPENDIX 3

Return Order



DOCUMENT HISTORY

Change	Justification
1. Migrated document into new BP template	Required for North America ERP implementation
2. 3.0 Roles and Responsibilities—updated	Revised to include current roles and responsibilities
3. 5.0 Definitions—expanded	Revised to include all pertinent terms throughout the document
4. 9.0 Practice—updated	Replaced legacy content with current content because the procedure has evolved
5. Appendices—updated	Revised to reflect procedure changes