



Distributor Terms and Conditions **Effective Date: September 1, 2012**

ORDERS

Submit orders to:

Customer Service Operations
Abbott Nutrition
Abbott Laboratories Inc.
PO Box 18095
Columbus, Ohio 43216
Telephone: 800-551-5838

Electronic Commerce

Abbott Nutrition, a division of Abbott Laboratories Inc. ("Abbott Nutrition") strives to increase the use of electronic commerce and Electronic Data Interchange (EDI) to enhance the business process and improve efficiencies. We offer two solutions to make e-commerce a viable option for our customers:

1. EDI: A traditional electronic data interchange system e-commerce solution.

NOTE: Customers needing technical support for this solution can contact us at AN_EDI_Distributor@abbott.com for assistance.

2. www.e-abbott.com: A Web-based solution that enables non-EDI capable companies to use a standard Web browser for business-to-business exchanges of electronic documents over the Internet.

NOTE: Customers needing technical support for this solution can contact us at webedi@abbott.com for assistance.

LESS THAN TRUCKLOAD

Any Combination Pricing: Prices apply to all Pediatric, Healthy Living and Therapeutic Nutrition items (the "Products").

Orders between 1 - 150 pounds will be priced according to the number of cases of Product ordered and will be delivered in three (3) business days from receipt of order except for orders that require a delivery appointment.

Orders between 151 pounds - 30,000 pounds will be priced according to the number of cases of Product ordered and will be delivered in five (5) business days from receipt of order except for orders that require a delivery appointment.

Orders between 30,001 pounds - 39,999 pounds will be priced according to the number of cases of Product ordered and will be delivered in seven (7) business days from receipt of order except for orders that require a delivery appointment.

TRUCKLOADS

40,000-42,000 POUNDS

Pricing: Truckload pricing will apply to the Products and will be delivered in 10 business days from receipt of order except for orders that require a delivery appointment.

ORDERS OVER TRUCKLOAD

OVER 42,000 POUNDS

Pricing: Truckload pricing will apply to the FULL TRUCKLOAD (40,000-42,000 lb.) portion of the order. Based upon the order breaks stated above, the remainder of the order will be priced at the appropriate quantity break.

ASSORTABILITY OF PRODUCTS FOR BETTER BRACKET PRICES

Products are assorted together for better bracket prices. Please contact Abbott Nutrition Customer Service at 1-800-551-5838 if you have any questions regarding how Abbott Nutrition assorts Products.

CONSUMER RELATIONS

For comments or questions about Product usage or quality, call Abbott Nutrition Consumer Relations at 800-227-5767.

TERMS AND CONDITIONS

TERMS: 2% 10 calendar days, Net 30 calendar days DOI (date of invoice).
EFT TERMS: 2% 15 calendar days, Net 35 calendar days DOI (date of invoice).
Cash Discount applied to the net amount of the invoice.
CREDIT CARD TERMS: Net 30 calendar days DOI (date of invoice).
FOB: Tailgate Delivery

PAYMENT FOR ABBOTT NUTRITION PRODUCTS INVOICES SHOULD BE MAILED

TO:

Abbott Nutrition
75 Remittance Dr, Suite 1310
Chicago, IL 60675-1310

Products in this catalog are sold for consumption in the fifty (50) United States and the District of Columbia (U.S.) and may not be resold outside of the U.S. In the event that Customer becomes aware of any Products that are resold outside of the U.S., the Customer will notify Abbott of that situation and will cooperate with Abbott in any investigations of Product being sold outside of the U.S. Involvement and/or awareness of products being resold outside the U.S. could result in suspended shipments.

CUSTOMER ORDER FORMS

The provisions of a Customer purchase order or any acknowledgment thereof (whether electronic transmission, printed, stamped, typed or written), except those specifying the quantity and Products ordered, invoice information and shipping instructions, shall not be applicable to the customer's purchases. No modification of the foregoing terms of sale shall be binding on Abbott Nutrition, unless specifically accepted in writing and signed on behalf of Abbott Nutrition by an authorized representative of Abbott Nutrition.

CUSTOMER APPLICATION FORMS

The Customer agrees that the information provided in the Customer Application Form is accurate and true and that changes in this information will be promptly communicated to its Abbott Nutrition Sales Representative or the home office in Columbus, Ohio.

PRICE REDUCTION PROTECTION

Abbott Nutrition does not offer price protection.

PRICE QUOTATIONS

Abbott Nutrition reserves the right to verify all prices at time of order placement. For multiple orders placed under one Customer purchase order number, each order will be priced separately and cannot be combined for quantity bracket pricing. Each individual order must meet minimum order quantities.

FEES

Any terms or conditions, including but not limited to fines, fees, taxes, assessments, etc., whether presented by purchaser or third party, which differ from those stated herein, shall have no application to purchases made under these terms and conditions unless expressly agreed upon by Abbott Nutrition in writing.

TAXES

Any excise or other tax applicable to orders will be added to the invoice, unless a valid tax exempt form is submitted to Abbott Nutrition and on file at the time of invoice.

SHIPMENT

Abbott Nutrition will be responsible for freight charges and reserves the right to select the mode and the carrier, and the right to determine the shipping point. Abbott Nutrition reserves the right to charge a "Premium Freight and Handling Fee" on Customer requested emergency orders.

Title of the Products shall transfer to Customer upon delivery of the Products. Although Abbott Nutrition will make every effort to ensure prompt processing and delivery of orders, Abbott Nutrition shall not be responsible for any costs or expenses incurred by Customer that result from a delay or non-delivery of orders beyond Abbott Nutrition' control. Questions about shipments should be directed to Customer Service Operations, 800-551-5838.

BACKORDER POLICY

Total purchase order quantity will determine bracket price applied to both initial orders and back orders. All back orders will be shipped unless Customer has notified Abbott Nutrition Customer Service in writing that they do not accept back orders.

STOCK ROTATION

Customer agrees to rotate Products on a "first in, first out" basis. Customer agrees that it shall NOT SELL PRODUCTS THAT ARE BEYOND THE PRODUCT'S EXPIRATION DATE. Wholesale Customers agree to advise their Customers of this stock rotation policy. If the Wholesale Customer fails to advise its Customer of this Abbott Nutrition rotation policy, it will hold harmless and indemnify Abbott Nutrition against any and all costs incurred by reason of such a failure.

PAST DUE BALANCES

Past due balances are subject to a service charge of 1½% per month (or the highest amount allowed by law, if lower). All payments shall be applied first to any service charge and then to the oldest unpaid invoice. In the event of a delinquency, Abbott Nutrition may declare all unpaid balances due. Any excise or applicable tax will be added to the invoice. The Customer may be held responsible for legal fees or other costs incurred in the collection of past-due balances.

FDA GUARANTEE

Abbott Nutrition guarantees that no article delivered hereunder is adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, as amended, or within the meaning of any applicable state or municipal law in which the definitions of adulteration and misbranding are substantially the same as those contained in the Federal Food, Drug and Cosmetic Act, as said Act and such laws are constituted and effective at the time of such shipment or delivery, or is an article which may not, under the provisions of Sections 404 or 505 of said Act, be introduced into interstate commerce.

PRODUCT LIABILITY INSURANCE

Abbott Nutrition carries Product liability insurance on all nutritional Products. This coverage extends to certain Customer activities. Certificates of Insurance may be obtained from http://www.abbott.com/global/url/content/en_US/0:0/general_content/General_Content_00147.htm

LIMITATION OF LIABILITY

Subject to possible insurance coverage as described under "PRODUCT LIABILITY INSURANCE" above, the Customer's sole remedy with respect to an Abbott Nutrition breach of the terms and conditions set forth herein shall be, at Abbott Nutrition option, the repair or replacement of the affected Products or the refund of the purchase price paid by the Customer for the affected Products. IN NO EVENT SHALL ABBOTT NUTRITION BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES OR LOSSES OF ANY NATURE OR FOR LOST REVENUE, LOST PROFITS OR LOST BUSINESS RELATING TO THE PRODUCTS OR THE USE OF PRODUCTS OR ABBOTT NUTRITION FAILURE TO DELIVER THE

PRODUCTS."OWN USE" Customer agrees to purchase Products either (i) for its "own use" (as hereafter defined) in providing home health care in the fifty (50) United States or (ii) for resale by Customer directly to hospitals, nursing homes or home care providers for their "own use" in the fifty (50) United States. "Own use" shall mean such uses which are part of and promote the institutional operation of providing health care to persons who are its patients. Customer is authorized to purchase Products only for its "own use" in providing home health care in the fifty (50) United States or for resale to hospitals, nursing homes or home care providers for their "own use" in the fifty (50) United States.

DISCOUNT DISCLOSURE

Any discount or other form of price reduction received by Customer in the purchase of Products is a discount or price reduction within the meaning of 42 U.S.C. Section 1320a-7b (b)(3)(A) of the Social Security Act. Customer may have an obligation to report or pass on such discount or price reduction to any state or federal program which provides cost or charge based reimbursement to Customer for the items to which the discount or price reduction applies. Further, Customer shall retain invoices and other price documentation and make them available to federal or state officials upon request. If Customer receives a refurbished or remanufactured enteral feeding pump, Customer may have an obligation to determine if a lower reimbursement rate applies.

FORCE MAJEURE

Abbott Nutrition will not be liable for any failure to perform any contract or supply any materials due to strikes, fires, terrorist attacks, explosions, floods, wars, riots, lockouts, injunctions, interruptions of transportation, unavoidable accidents, inability to obtain supplies at reasonable prices, failure of public utilities or other causes beyond its control.

CUSTOMER REQUEST FOR CREDIT

Customer shall pay an additional service charge of 1½% per month (or the highest amount allowed by law, if lower) for unauthorized deductions from Abbott Nutrition invoices, which shall commence on the date of the improper deduction. Abbott Nutrition reserves the right to review credit requests for accuracy and validity.

The following reason codes are to be used when supplying payment information to Abbott Nutrition:

Pricing Difference P01
Item Not Accepted - Damaged S02
Incorrect Product Received S03
Cash Discount Repaid D01
Partial Payment Remitted C07
Penalty F06
Administrative Fee R05
Miscellaneous M04
Returns - Unsaleable (damaged or dating) R05
Returns - Saleable R07
Duplicate Billing M9
Item Not Accepted R01
Chargeback Claim H02
Interest Penalty Charge F06
Tax Deducted T01
Item Not Received S01
Advertising Allowance AC1
Total Order Not Received S01
Cash Discount D01
Coupons AC4
Overpayment C02
Duplicate Payment/Deduction C01
Handling Charge - Premium Freight Charges S04

Any further questions can be directed to your Abbott Nutrition Customer Service Representative at 800-551-5838

RETURN OF GOODS AND CLAIMS POLICY

Abbott Nutrition, a division of Abbott Laboratories (“Abbott Nutrition”) has established this Policy in order to provide a consistent way to handle product returns and claims for credit by Institutional Distributors and Distributors with chargeback agreements. This Policy applies to products sold by Abbott Nutrition and any designated Abbott Nutrition affiliate. This Policy sets forth the sole and exclusive terms and conditions governing the return of Products to Abbott Nutrition. By ordering from this price catalog Customer agrees that all claims for shortage or damage at time of delivery relating to Customer’s purchases of Products shall be submitted and handled in the following manner:

1. Claims for Shortage or Damage at Time of Delivery

- a. Abbott will arrange for Products to be delivered to Distributor. Distributor should visually inspect Products at the time of delivery for obvious defects and refuse acceptance of such delivery. Distributor should sign POD/BOL providing item and quantity of shortage and/or damage with carrier signature at time of delivery. If completed, no further notification or action is required. In the event that this action does not take place, Distributor must notify Abbott Nutrition within three (3) business days by either method listed below. Failure to comply will result in denial of Distributor’s request.
 - i. Distributor should contact assigned Abbott Nutrition Customer Service Representative by email or phone, providing item and quantity of shortage and/or damage.
 - ii. If the assigned Customer Service Representative is unknown, Distributor may contact Abbott Nutrition Customer Service Department at 800-551-5838 providing item and quantity of shortage and/or damage.

If Abbott Nutrition determines that Abbott Nutrition will issue a credit for the Product damage and/or shortage, then Abbott Nutrition will issue a credit to Customer as set forth in the Section titled Customer Request for Credit. Customer must submit in writing any requests for proofs of deliveries from Abbott Nutrition within 120 days from the date of Abbott Nutrition invoice for the Product. Customer shall pay a \$35 charge (plus interest) for Customer requested proofs of deliveries that validate Abbott Nutrition invoice.

- b. Distributor must raise within 1 year from date of invoice all claims and disputes regarding payments, pricing and/or credits (except that all claims for shortage and/or damage shall be within three (3) business days as specified above). Post-audit deductions and claims will not be researched or paid if they are more than two (2) years from the date of invoice.
- c. The failure of Abbott Nutrition to enforce at any time, for any period, any provision hereof shall not be construed to be a waiver of such provision or of the right of Abbott Nutrition thereafter to enforce each such provision.

2. Unsaleable Products Not Eligible for Return or Credit –The following Products are **not** eligible for return or credit:

- a. Sell-off products or products sold on a no-return basis;
- b. Partial, open or unsealed cases or product without intact original labels or
- c. Products that are in unsaleable condition (damaged or out-of-date).

3. Products Eligible for Credit – Distributor may return Products for credit, less a 20% restocking fee, in accordance with this Policy. To be eligible for credit, the following criteria must be met:
 - a. The Products are not excluded in item 1 above;
 - b. Products must be in full sealed cases in original packaging;
 - c. Products must not be expired at time of receipt by Abbott Nutrition;
 - d. Distributor must verify that Product was purchased directly from Abbott Nutrition by providing reference to the original Abbott Nutrition PO number, invoice number, or order number; and
 - e. Distributor must comply with the process requirements in item 4 below.

4. Special Situations. Abbott Nutrition may from time-to-time implement special returns programs for product introductions or discontinuations, recalls and other force-majeure situations. Abbott Nutrition will communicate such programs to Distributors in a manner as Abbott Nutrition deems appropriate.

5. Process for Returning Product that is Eligible for Return:
 - a. Only Products meeting the criteria in items 2 and 3 above are eligible for return to Abbott Nutrition.
 - b. Distributor must obtain prior authorization for any return or credit by calling Abbott Nutrition Customer Service at the numbers set forth below and providing all of the following information.
 - i. Purchaser order number, invoice number, or order number; and
 - ii. Product UPC code, description, quantity, unit of measure, billing period,
 - c. Once Distributor has provided the required information to Abbott Nutrition, then Abbott Nutrition will provide Distributor a Return Identification Number (RIN). The RIN must be referenced on all further correspondence related to the matter and be included on Products that are returned.
 - d. Product returns may only be returned through an authorized Abbott Nutrition reclamation center or an authorized Abbott Nutrition shipping point. Abbott Nutrition will not accept returns via any other means.
 - e. Abbott Nutrition will instruct Distributor what to do with any returns of less than 10 cases, which may include providing call tags to Distributor.
 - f. Credit will be issued at the Distributor's acquisition cost at the date of invoice, less any discounts given, according to Abbott Nutrition's records.
 - g. Except for situations where full credit is given as described in item 3, Distributor will be given account credit, less a 20% restocking fee, for returns of Products. This credit may be applied towards future purchases.
 - h. Abbott Nutrition reserves the right to destroy all Products returned to it, whether or not such Products are eligible for credit hereunder.
 - i. Abbott Nutrition reserves the right to issue authority to Distributor to destroy rather than physically return product. If Abbott Nutrition exercises this right, the Distributor must provide proof of destruction of the Product in order to receive credit.

6. Disposition of Products. UNDER NO CIRCUMSTANCES SHOULD DISTRIBUTORS OR THEIR INSURERS OR REPRESENTATIVES MAKE SALVAGE SALES OR DONATIONS OF UNSALEABLE PRODUCTS. Abbott Nutrition will not defend, indemnify or otherwise protect Distributor, its insurers or agents against any claim, damage or expense resulting from Distributor's violation of the foregoing provision.

7. No Waiver. The failure of Abbott Nutrition to enforce at any time, for any period, any provision hereof will not be construed to be a waiver of such provision or of the right of Abbott Nutrition thereafter to enforce each such provision.

For questions related to this Policy, please speak to your Abbott Nutrition Sales Representative.

For return of Products or other questions, call Abbott Nutrition Customer Service at 800-551-5838.

IMPORTANT PHONE NUMBERS

Customer Relations Department Phone: 800-227-5767

Customer Service Operations Phone: 800-551-5838

Electronic Commerce Phone: 800-230-7677

Revision: 12/5/13