



Abbott Nutrition
Freight Pick Up Policy
Effective date: March 4, 2021

I. Pricing Guidelines

A. RATE CHANGE PROCESS:

1. Customer must provide prior written notice of any freight allowance change request after March 1st but prior to May 15th of any year in order to be considered for a June 1st effective date.
2. Abbott may initiate an optional freight allowance review by providing written notice at any time, provided no such change in freight allowances will take effect prior to June 1st unless otherwise agreed by the parties in writing.
3. Any change in freight allowances shall take effect for any shipments tendered by Abbott only after Abbott and Customer execute a revised freight allowance schedule setting forth such new allowances

B. FREIGHT ALLOWANCE REQUISITES:

1. Customer will not bill Abbott for any consignee generated delivery fees including but not limited to Detention at Destination and Lumper/other Unloading Services.
2. Flat allowances or CWT allowances will be presented in the applicable pricing schedules and will include: origin and destination zip codes, SCAC, mode, equipment type, temperature conditions and lane pairs.
3. Cost per mile allowances will be presented in the applicable pricing schedules and will be based on origin and destination, mode, and equipment type.
4. The base allowances will include all charges INCLUDING fuel and accessorial surcharges. Any additional accessorial surcharges not detailed in this policy will not be accepted without prior Abbott written approval.

II. Shipping and Handling Requirements

1. This policy applies to the transportation and handling of Abbott nutrition products that are being sold by Abbott to Customer for resale to consumers in Customer's retail outlets in the United States. Customer shall only transport to those locations at those allowances that have been set forth on the applicable Freight allowance schedule. Services shall be conducted to meet current industry standards for food grade transportation service for dry and/or refrigerated shipping of nutritional products. Customer shall provide protective service for extreme heat for all Abbott product loads that have liquid Alimentum and or nutritional bars.
2. Customer shall furnish all trucks and equipment to provide the Services at its own expense. Customer shall furnish trucks and equipment under this policy which are suitable for the transportation of nutritional products, including, but not limited to providing tractors and trailers or other necessary equipment which shall at all times be in good operating condition, clean and free from moisture, odors and other conditions that may cause damage to shipments transported. Abbott shall not be responsible for Customer's failure to follow Abbott instructions regarding trucks and equipment. Customer shall pay all costs and expenses incidental to the transportation of nutritional products including, but not limited to, licensing, permits, and fuel or road use taxes. Customer shall not haul garbage, waste or hazardous materials in trailers which are used to transport nutritional products.
3. Customer desires to pickup truckload order(s) of Abbott product at Abbott distribution

center(s) identified on the applicable Freight allowance schedule. A minimum truckload order is defined as 40,000 pounds; exceptions to this term must be mutually agreed in writing by both parties. Abbott utilizes “shipper load and count” practices. Truckload orders must comply with all specifications set forth in Abbott’s most current price catalog at the time of the backhaul.

III. Performance Requirements and Deliverables:

1. Key Performance Indicators (“KPI’s”) will be agreed to by both parties, will be agreed upon by the parties, and will be reviewed on a periodic basis, minimally once per calendar year. Failure to meet KPI’s, may result in termination of freight allowance agreement.
2. Customer shall provide sufficient trained staff to support Abbott’s transportation needs during Normal Operating Hours, as well as during overtime periods and on weekends as requested by Abbott. “Normal Operating Hours” shall mean 5:00 AM to 6:30 PM EST, Monday through Friday. Customer may be required to provide staffing on holidays based on Abbott’s holiday work schedule. Abbott’s holiday schedule is available upon request.
3. Customer’s carrier will contact AN Transportation department to schedule pickup appointment at AN Distribution Center with enough transit time to meet Customer’s Must Arrive By Date (MABD). Customer will utilize Abbott Nutrition’s designated Transportation Management System (TMS) to accept tenders and enter Pick Up Appointments within the TMS’ pick up appointment scheduling tool. Customer will make timely updates to the TMS in the event that transportation arrangements are modified.
4. Customer shall obtain delivery appointment for freight collect Shipments that meet Customer’s MABD. Delivery appointment should be obtained on or before the Customer’s requested delivery date as reported by Abbott. All responsibility for On Time Delivery is transferred to Customer and Abbott will not be fined or otherwise penalized for delivery performance.
5. In the event Customer is unable to transport goods covered under this policy, Customer shall immediately advise Abbott. Abbott may agree to accept said transportation at a later date or avail itself of other means of transportation without limitation of any other right or remedy Abbott may have. In this event Abbott will not be fined or otherwise penalized for delivery performance.
6. Customer shall arrive for live pickup within 60 minutes of scheduled pickup appointment time to be considered on time. Customer shall arrive for drop pickup within 24 hours of scheduled pickup appointment time to be considered on time.
7. Abbott or third-party logistics provider reserves the right to refuse a trailer and/or other necessary equipment if it does not meet Abbott’s stated shipping and handling requirements. Customer is responsible for dispatching a replacement trailer in no less than four (4) hours and at no additional expense to Abbott. Abbott will consider the transaction complete upon dispatch from Abbott designated Distribution Center.
8. Upon Abbott’s request, Customer agrees to provide copies of signed bills of lading as proof of delivery within twenty-four (24) hours of such request. The following shall be an acceptable form of proof of delivery (“POD”) a bill of lading, receipt or other proof of delivery form or document issued for such shipment, signed by the consignee.