

## **Abbott Diabetes Care FreeStyle®/Precision® Blood Glucose Monitoring Systems**

### **TERMS & CONDITIONS for Retail Customers Effective: March 1, 2008**

Following are the standard Terms and Conditions that apply to sales of FreeStyle® and Precision® glucose monitoring systems and components thereof to any Retailer, as defined below, with its principal place of business within the 50 United States and the District of Columbia (excluding Puerto Rico and all other U.S. territories and possessions).

EXCLUSIVE SOURCING POLICY. Retailer is required to purchase from Abbott Diabetes Care Sales Corporation (ADC) or a Wholesaler, as defined below, Retailer's entire requirements for products listed in the ADC Product List (ADC Products). Retailer will not resell any ADC Product except to end users residing in the United States who are patients or consumers. Within 30 days after ADC's written request, Retailer will, at ADC's election, (i) provide ADC with written certification from an executive officer with financial oversight responsibility for Retailer certifying that Retailer is in compliance with these Terms and Conditions, or (ii) grant audit access to Retailer's books and records related to the purchase and resale of ADC Products. ADC reserves the right to reject any purchase order by Retailer if ADC in its sole discretion believes that Retailer has failed to comply with these Terms and Conditions. For purposes of these Terms and Conditions, a "Retailer" is any entity that sells only to end users of ADC Products within the United States, and a "Wholesaler" is any entity identified at [http://www.abbott.com/static/content/document/gpp\\_dist\\_list.pdf](http://www.abbott.com/static/content/document/gpp_dist_list.pdf)

#### ORDERING

- ADC Order Services: 1-800-537-3575.
- Terms: 2% 30 Days, Net 31
- Minimum Order: \$1,000
- Yearly Minimum: \$10,000
- All orders must be in case quantities unless specified otherwise on the ADC Product List.
- Any additional or inconsistent provision contained in any purchase order or other document provided by Retailer is not binding on ADC unless accepted in writing by ADC.
- ADC reserves the right to limit the quantity of ADC Products to be shipped pursuant to any order or to refuse any order.

#### TITLE, SHIPMENT AND DELIVERY

- ADC will pay for standard carriage to the customer's ship-to location on orders over \$1,000.00. Title to the goods sold and risk of loss passes to the customer upon delivery of the goods to a common carrier whether shipment is by mail, express, motor, rail or airfreight. The responsibility of ADC for the goods ceases when so delivered to the post office or carrier.
- Retailer will pay any cost related to any special shipping request. ADC reserves the right to ship ADC Products ordered by Retailer in installments, as ADC deems necessary, and each such installment will be invoiced separately as shipped.
- Deliveries should be inspected for discrepancies before carrier departs. Note discrepancies on the freight bill, or refuse damaged freight whenever possible.

#### INSPECTION AND ADJUSTMENTS

Retailer will notify ADC in writing within 10 days immediately following receipt of shipment of any damaged goods, defects or shortages. Retailer will fax such written notice to 1-302-631-5484. Retailer will hold any such damaged or defective goods pending receipt of ADC instructions concerning disposition and permit inspection upon request by ADC or ADC's representative. If Retailer fails to notify ADC within 10 days immediately following receipt of shipment, Retailer will be deemed to accept the shipped ADC Products and that such ADC Products are in good condition in the quantities stated in the ADC invoice.

#### PRICING

Pricing subject to change at ADC's sole discretion.

#### TAXES AND OTHER CHARGES

Retailer will pay or reimburse ADC for any use tax, sales tax, duties, inspection or leasing fee or any other tax, fee or charge of any nature imposed by any governmental authority on Retailer's purchase of ADC Products. If Retailer claims an exemption from any tax, Retailer will provide copies of the applicable certificates demonstrating such exemption before placing any order.

#### CONFLICTING TERMS AND CONDITIONS

In the event of any conflict between these Terms and Conditions and any of the provisions of a written agreement between ADC and Retailer regarding Retailer's purchase of ADC Products, such written agreement will govern and supersede these Terms and Conditions.

#### OTHER TERMS

Change of Ownership. Retailer will notify Director of Contracts and Pricing at ADC by registered mail at least ten (10) days before the effective date of any sale or other transfer of all or substantially all of Retailer's assets or the transfer of a controlling interest in Retailer to a third party. In the event of such sale or transfer, ADC may elect not to fulfill any order placed by Retailer.

Credit Review. Retailer will furnish financial information to ADC to establish and maintain Retailer's financial responsibility. ADC may require cash payment before shipment or on delivery if ADC believes, in ADC's sole judgment, that Retailer's financial condition is impaired.

## Abbott Diabetes Care

### FreeStyle®/Precision® Blood Glucose Monitoring Systems

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#### RETURNS POLICY FOR FREESTYLE AND PRECISION PRODUCTS

Retailer must obtain a Return Authorization Form (RAF) prior to returning any ADC Product. RAFs may be obtained from:

**Stericycle Inc**  
**ATTENTION: Opal Clennon**  
**2084-900 Lake Industrial Court**  
**Conyers, GA 30013**  
**FAX 1-800-899-1093**  
**TELEPHONE 1-800-777-6565**

Any request must include the address where the ADC Product is stored, an itemized list of ADC Products and ADC Product numbers, lot numbers, quantity, expiration dates and number of shipping boxes. ADC will not issue any credit with respect to any ADC Product unless the quantities, part numbers, and expiration dates are consistent with those on the applicable RAF and the returned ADC Product meets the requirements for the Authorized Returnable Products below.

#### AUTHORIZED RETURNABLE PRODUCTS

- **SEALED AND UNUSED PRODUCTS:** ADC Products that are both sealed and unused may be returned for credit either (a) within 6 months prior to expiration date, or (b) within 6 months after expiration date.
- **OVERSTOCK:** Products that ADC has previously approved to be "Overstock Merchandise" may be returned for credit. Any return of Overstock Merchandise will be subject to a 25% restocking fee.
- **DAMAGED IN TRANSIT:** Products may be returned if damaged while in transit only if ADC is notified in writing with a description of damage to the Products and acceptance of shipment, faxed to ADC within 10 days immediately following receipt of shipment. Fax written notice to ADC at 1-302-631-5484.
- **INVENTORY REDUCTION:** Products that ADC has previously approved to be "Inventory Reduction" may be returned for credit. Any returns of Inventory Reduction will be subject to a 25% restocking fee.

***All unauthorized and unidentifiable products will be destroyed.***

#### RETURN PROCEDURE FOR APPROVED RAFs

- Retailer will receive a Returns Kit by US Mail, which will include the RAF sticker and a packing slip.
- Retailer must enclose a copy of the RAF inside each carton or box and affix the RAF Sticker on the outside of each carton or box. The RAF number must be clearly marked on the outside of each carton or box.
- Retailer must return the product to the Stericycle Inc address on the RAF within 90 days after receiving the Returns Kit.
- All returns must be shipped in clean, dry, and fully-sealed boxes. All return shipments not sent in completely sealed boxes will be refused upon delivery and will be returned to the customer at the customer's expense.
- Credit amounts will be based on current ADC list price or contract price, as applicable.

**FORCE MAJEURE** ADC will not be liable for failure to perform any contract or supply any product due to strikes, fires, explosion, flood, riot, lock out, injunction, interruption of transportation, accidents, inability to obtain supplies at reasonable prices, shortage of raw materials, discontinuance of a product line, manufacturing problems, act of governmental authority, terrorism, war, acts of God, or other causes beyond its control. In such event, ADC may allocate available products among its customers and ADC's own requirements without liability and at its sole discretion

#### INSURANCE CERTIFICATE

This can be viewed at [http://treasury.abbott.com/Content/RiskManagement/Download/Coverage\\_Summary.pdf](http://treasury.abbott.com/Content/RiskManagement/Download/Coverage_Summary.pdf)