

## Terms and Conditions

This Agreement ("Agreement") is made and entered into by and between you ("Customer") and United Parcel Service Inc., an Ohio Company ("UPS").

This Agreement sets forth the terms and conditions under which UPS will provide the pickup and delivery services with the Incentives set forth below ("Services"). The Services are further described in the applicable UPS® Rate and Service Guide ("Service Guide") and UPS® Tariff/Terms and Conditions of Service ("Terms") applicable to the United States in effect at the time of shipping. All Services provided by UPS are governed by the terms of the Service Guide and Terms in effect at the time of shipping, each of which are incorporated here by this reference. The Service Guide and Terms are subject to change at any time without prior notice. In the event of a conflict or inconsistency between the Service Guide or the Terms and this Agreement, the terms of this Agreement shall control as to the incentives ("Incentives") applied to the Services.

UPS will provide Customer with incentives ("Incentives") as set forth in **Addendum A**. These Incentives shall only be available to Customer and shall only be applied to a single UPS account. Customer is prohibited from reselling or offering Services or Incentives to any other party without the prior written consent of UPS and failure to comply with this prohibition may result in immediate cancellation of this Agreement. Customer acknowledges and agrees that the Incentives set forth in **Addendum A** represent a percentage discount from the Daily Rates in effect at the time of shipping available at [www.ups.com](http://www.ups.com) and are subject to change based on changes to such Daily Rates. Customer acknowledges that the Incentives apply only to the base transportation rates set forth in the Daily Rates, except as otherwise set forth in this Agreement, and do not include Value-Added Services, Other Charges or other fees, accessorial charges or surcharges that may apply to a Customer or shipment (collectively, "Additional Charges"). Each eligible package (or shipment) will receive its applicable Incentive for the term of this Agreement.

See **Addendum A** for the U.S. 48 States Origin Incentive Schedule.

UPS may, at any time and in its sole and unlimited discretion, terminate, modify, suspend, extend or discontinue all or part of the Services, Incentives, or this Agreement without liability to Customer or any third party, either by notice posted at [www.ups.com](http://www.ups.com), notice provided directly to Customer, or notice otherwise reasonable under the circumstances. This Agreement will remain in effect until such time as UPS provides such notice of termination of the Incentives, the Services or this Agreement.

Customer agrees that it shall be bound by the terms set forth in this Agreement by accepting these terms through clicking "I accept". This Agreement shall be effective as of the date Customer indicates its acceptance by clicking "I Accept". This Agreement supersedes all other agreements between Customer and UPS regarding these Services.

## ADDENDUM A U.S. 48 STATES ORIGIN INCENTIVE SCHEDULE

All incentives contained in this document apply to the most recently published Daily Rates at the time of shipment and shall be applied independently to each individual account number on a weekly basis. The published Daily Rates can be adjusted periodically pursuant to the terms and conditions of the Carrier Agreement. See [www.ups.com](http://www.ups.com) for current Daily Rates and UPS Tariff/Terms and Conditions. Incentives for Services included in this agreement are applicable to all shipments paid for by the individual account party to this agreement unless otherwise specified.

### Service Grouping Descriptions

#### Domestic Next Day includes

UPS Next Day Air®  
UPS Next Day Air Saver®

#### Domestic 2 Day includes

UPS 2nd Day Air A.M.®  
UPS 2nd Day Air®

#### Domestic 3 Day includes

UPS 3 Day Select®

#### Domestic Ground Commercial includes

UPS® Ground - Commercial

#### Domestic Ground Residential includes

UPS® Ground - Residential

#### International Express/Saver/Expedited Export includes

UPS Worldwide Express® - Export  
UPS Worldwide Saver® - Export  
UPS Worldwide Expedited® - Export

#### International Express/Saver/Expedited Import includes

UPS Worldwide Express® - Import  
UPS Worldwide Saver® - Import  
UPS Worldwide Expedited® - Import

#### International Express Freight includes

UPS Worldwide Express Freight™ - Export  
UPS Worldwide Express Freight™ - Import

#### International Canada Standard includes

UPS Standard™ to Canada  
UPS Standard™ from Canada

#### International Mexico Standard includes

UPS Standard™ to Mexico  
UPS Standard™ from Mexico

### Tier Incentive

Each eligible package or shipment will receive an incentive per the following schedule based on a 52-week rolling average of eligible packages tendered to UPS. These incentives apply to all zones unless otherwise specified. The band determination is based on the average base transportation charges per week (excluding Additional Charges, unless otherwise specified). The Incentives will be administered on a weekly basis. Incentives apply to the following billing options: prepaid, freight collect, third party, undeliverable, UPS Returns® and UPS Returns® third-party (where applicable) letters, documents, paks and packages.

Base Weekly Transportation Charges - Bands	Domestic									
	Next Day	2 Day	3 Day	Ground Commercial				Ground Residential		
				0 - 5 lbs.	6 - 10 lbs.	11 - 20 lbs.	21 - 150 lbs.	0 - 10 lbs.	11 - 20 lbs.	21 - 150 lbs.
\$1,000.00 - or more	43%	40%	35%	20%	23%	25%	30%	20%	22%	25%
\$500.00 - \$999.99	41%	38%	35%	15%	18%	20%	25%	15%	17%	20%
\$200.00 - \$499.99	36%	33%	35%	13%	16%	18%	23%	15%	17%	20%
\$50.00 - \$199.99	36%	31%	31%	13%	16%	18%	23%	10%	12%	15%
\$0.00 - \$ 49.99	33%	28%	28%	11%	14%	16%	21%	9%	11%	14%

Base Weekly Transportation Charges - Bands	International				
	Express/Saver/Expedited Export	Express/Saver/Expedited Import	Express Freight	Canada Standard	Mexico Standard
\$1,000.00 - or more	47%	35%	25%	14%	34%
\$500.00 - \$999.99	45%	34%	22%	12%	30%
\$200.00 - \$499.99	40%	34%	20%	10%	25%
\$50.00 - \$199.99	39%	34%	18%	9%	15%
\$0.00 - \$ 49.99	36%	31%	16%	8%	12%

For the first week, the total actual base transportation charges per week from all eligible committed services will determine the incentives per the schedule. After the first week, average weekly based transportation charges per week will be based on the most recent 13 weeks (once 13 weeks have been accumulated excluding the current billing week). Average weekly base transportation charges per week is defined as the base transportation charges per week from all eligible and committed services for the given time period divided by the number of week(s) in the time period.

Accessorials	Incentives
UPS Smart Pickup®	100%

**Minimum Net Shipping Charge**

For each shipment, the customer agrees to pay the greater of the (a) net shipment charge based on the above incentive or (b) the minimum net shipment charge. Minimum net shipment charge is calculated by deducting applicable adjustment from the published 1 lbs. base rate from the table below.

Service	Base Rate
UPS 3 Day Select®	UPS 3 Day Select® Zone 302 1 lbs.
UPS® Ground - Commercial	UPS® Ground Zone 002 1 lbs.
UPS® Ground – Residential	
<b>Canada Standard</b> UPS Standard™ to Canada UPS Standard™ from Canada	1 lbs. shipment for the respective service and respective zone

**Electronic PLD Bonus**

The incentives detailed earlier in this Agreement include an Electronic PLD bonus up to the amount defined in the table below. Shipments tendered via non-Electronic PLD will not receive this bonus. At no point will non-application of the bonus result in net rates that exceed the published rates in effect at the time of shipment. The bonus will be applicable to all shipments paid for by accounts in this agreement.

Service	Domestic						International			
	Next Day	2 Day	3 Day	Ground Com	Ground Res	Ground CWT	Express/Saver/Expedited Export	Express Freight	Canada Standard Export	Mexico Standard Export
<b>Electronic PLD Bonus</b>	10%	10%	10%	5%	5%	5%	10%	10%	10%	10%

The following Committed Services will be included in the band determination:

*All Small Package Freight:* Domestic and Export transportation charges from the following: Letter, Document, Package, Pallet, or Hundredweight prepaid, Freight Collect, Third Party, Consignee Billing, World Ease, Consolidated Clearance, Return Services or ARS will be used to determine the customer's incentive levels: Next Day Air Early; Next Day Air; Next Day Air Saver, 2nd Day Air A.M.; 2nd Day Air; 3 Day Select; US Ground (including, if applicable, UPS SurePost®); US Export Worldwide Express / Express Plus (Excluding 10 kg and 25 kg box); US Export Worldwide Saver (Excluding 10 kg and 25 kg box); Export Worldwide Express Freight, US Export Worldwide Expedited; UPS Standard.

*All International Import:* Import transportation charges from the following: Letter, Document, Package or Pallet, Single-Piece or Multi-Piece, Freight Collect, Third Party, Consignee Billing, World Ease, Consolidated Clearance or Return Services will be used to determine the customer's incentive levels: US Import Worldwide Express Plus; US Import Worldwide Express NA1 (Excluding 10 kg and 25 kg box); US Import Worldwide Express / Express Plus (Excluding 10 kg and 25 kg box); Import Worldwide Express Freight, US Import Worldwide Saver (Excluding 10 kg and 25 kg box); US Import Worldwide Expedited; Import Worldwide Standard; US Import 3 Day Select from Canada; US Import Standard.

*All UPS Ground with Freight Pricing:* The following service(s) will be used to determine the band of the customer: UPS Ground with Freight Pricing.

Note: UPS Ground with Freight Pricing is committed based on Net Transportation charges.

Notes:

- Incentives are based on and derived from the most recently published list rates and adjusted periodically pursuant to the terms and conditions of this Incentive Program Agreement.
- Delivery Area Surcharge, Remote Area Surcharge, Extended Delivery Area Surcharge, Hundredweight Delivery Area Surcharge, Large Package Surcharge, Residential Surcharge and Hundredweight Residential Surcharge will be included for the sole purpose of determining the transportation charge bands of Customer.