

Abbott Laboratories Inc.
Pharmaceutical Products Division
STANDARD TERMS AND CONDITIONS
Effective June 29, 2009

SCOPE -Abbott Laboratories Inc. Pharmaceutical Products Division (PPD) Standard Terms and Conditions are applicable to entities within the 50 United States and the District of Columbia ONLY (excluding Puerto Rico and all other U.S. territories and possessions). These Standard Terms and Conditions also apply to Pharmaceutical products marketed and sold by Abbott Nutrition and Abbott Endocrinology Inc., divisions of Abbott Laboratories Inc. included in the Pharmaceutical Products Division catalog.

Abbott reserves the right to change these Terms and Conditions at any time without notice.

The most current version of the Terms & Conditions of Sale can be found on the Internet at the following address <http://www.e-abbott.com/>.

CONTACT INFORMATION- Contact Abbott Laboratories Inc. Pharmaceutical Products Division Customer Service at 1-800-255-5162

SECTION 1: CLASSIFICATION OF CUSTOMERS (CLASSES OF TRADE)

- A Customer (Retail Pharmacies, Chains, Physicians and Dentists)
- M For Profit Customers (For Profit Hospitals, Managed Care, Long Term Care, and Alternate Site)
- H Non-Profit Customers (Non-Profit Hospitals, Managed Care, Long Term Care, and Alternate Site)
- T Customers (Hospitals-Tax Supported-City, County and State Owned and Operated)
- GV Public Health Service Funded Clinics and Disproportionate Share Hospital Outpatient Facilities
- US Customers (U.S. Government, Public Health Service Hospitals, Veterans Administration, State Veterans Homes, and Military Hospitals)
- W Customers (Wholesalers/Distributors)

SECTION 2: WHOLESALER/DISTRIBUTOR

2.1 EXCLUSIVE SOURCING:

Wholesaler/Distributor Customers (W) (such Wholesalers/Distributors are identified at www.abbott.com/ESalist) must purchase their entire requirements for products listed in the Abbott PPD Catalog of products directly from Abbott and shall maintain at all times a complete inventory with quantities sufficient to meet the demand for each of the products. The resale of Abbott PPD products by Wholesalers/Distributors is strictly limited to end users in the United States who are patients or consumers or to customers in the United States who are properly licensed entities by the states in which they operate, for their use as defined above (classes A, H, M, T, GV and US). For purposes of reviewing compliance with the terms of this policy within thirty (30) days after written request by Abbott, Wholesaler/Distributor shall provide or cause to be provided, as elected by Abbott (i) certification of compliance with terms hereof from a senior officer or executive with financial oversight responsibility for Wholesaler/Distributor, or (ii) the opportunity for an audit of the relevant books and records supporting the purchasing activity. Abbott reserves the right to cease shipments to Wholesaler/Distributor if Abbott in its sole discretion in good faith believes Wholesaler/Distributor may not have complied with these Terms and Conditions.

2.2 REQUIREMENTS:

Criteria to be considered for the Wholesalers Class of Trade are:

- (a) Purchase the entire line of products from the Pharmaceutical Products Division.
- (b) Purchase a minimum of one million dollars (\$1MM) of products directly from Abbott each month.
- (c) Have full electronic capabilities which include electronic submission of chargebacks, electronic issuance of purchase orders, electronic reception of invoice capabilities, electronic reception of contracts, and electronic fund transfers.
- (d) Have a sound credit position within the business marketplace.
- (e) Have a signed Exclusive Sourcing Letter on file with Abbott.

2.3 NEW DISTRIBUTION FACILITIES FOR EXISTING WHOLESALER/DISTRIBUTORS:

Initial product stocking orders for new Distribution facilities only, totaling \$10,000.00 or more, representative of the full line of Abbott/Abbott Nutrition, a division of Abbott Laboratories Inc. Pharmaceuticals, may be eligible for thirty (30) days additional dating upon request.

2.4 CHARGEBACKS:

All original chargeback claims and resubmitted claims must be reconciled within 12 months of the customer's original invoice date. Chargeback claims received more than twelve (12) months after the customer's original invoice date will not be accepted. Claims will be processed within 90 days of receipt. Claims must be submitted electronically.

SECTION 3: PAYMENT

3.1 TERMS FOR PAYMENT:

Unless otherwise stated on the invoice, terms for payment are: (1) for cash payments, 2% 30 days, net 31 days from invoice date, or (2) for EFT payments, 2% 34 days. Payments are considered received when physically present in Abbott's lock box (cash/check) or upon confirmed EFT. If payment has not been received within the specified time frames, no discount will be earned, and any deduction will be charged back and subject to payment within 15 days. Discounts are not subject to any offset or counter claim.

3.2 DISPUTES WITH PRIOR WRITTEN NOTICE:

Portions of an invoice in dispute may be deducted and the balance remitted within the stated invoice terms only if submitted with a detailed explanation of the deduction. All claims and/or verification requests shall be limited to a twelve (12) month period from date of invoice.

3.3 PAST DUE BALANCES:

Past due balances are subject to a service charge of one and one half percent (1.5%) per month (or highest rate allowed by law, if lower than one and one half percent (1.5%) per month). In the event of a delinquency on one invoice, Abbott may declare all unpaid invoices immediately due until such delinquency is remedied. All payments shall be applied first to any service charge and accrued interest and then to the unpaid portion of the oldest invoice. Any excise or other applicable taxes will be added to the invoice and subject to the service charge.

SECTION 4: GENERAL TERMS AND CONDITIONS

4.1 PRICES AND QUOTATIONS:

All quotations and prices are submitted without obligation and are subject to change with notice by Abbott. Orders received by Pharmaceutical Products Division Customer Service and/or Sales Representatives, whether based upon submitted quotations or not, are subject to acceptance by an authorized representative of the Pharmaceutical Pricing and Planning Department and credit approval by Abbott. Such acceptance shall be only by letter or performance.

4.2 CUSTOMER ORDER FORMS:

None of the provisions of a customer purchase order or any acknowledgement thereof, except those specifying the quantity and the products ordered, billing and shipping instructions, shall be considered applicable to the customer's purchases. No modification of these Standard Terms and Conditions, including any different or additional terms contained in any purchase order, acknowledgement form or other written document, will be binding on Abbott unless specifically accepted in writing and signed on behalf of Abbott by an authorized representative of the Pharmaceutical Pricing and Planning Department. All orders are subject to acceptance at the corporate office, Abbott Park, Illinois.

4.3 ORDERS:

Orders must be received by Pharmaceutical Products Division Customer Service (1-800-255-5162) by 5:00 p.m. Central Time. Orders received after 5:00 p.m. Central Time will be billed at contract, catalog or deal prices in effect as of the next business day. Abbott reserves the right to limit purchase quantities or refuse orders so as to insure adequate supply and distribution to all customers on a fair and equitable basis, or for any other reason.

4.4 MINIMUM ORDER:

Minimum order size is \$1,000. Exceptions may be made for backorders, DEA Schedule II shipments and for Lupron sold directly to physicians.

4.5 SHIPPING:

Unless otherwise agreed, Abbott will select the mode of shipment and route the goods according to its judgment. If a customer requests, and Abbott agrees to shipment sent other than the least expensive alternative, any additional expense will be added to the invoice.

Orders must be submitted individually for each shipping location. Pricing will be applied on the basis of the individual order quantity per location and cannot be revised once submitted. If a customer requests split shipments, other than back orders, such shipments will be treated as separate orders. If the customer requests that the carrier sort and check in product, the customer is liable for associated carrier charges.

4.6 DELIVERY TERMS:

Abbott will pay for standard carriage to the customer's ship-to location, but 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 Abbott for the goods ceases when so delivered to the post office or the transportation companies. Whenever possible, Abbott uses carriers who offer free delivery to the customer's ship-to location. In any locality where such service is not available, Abbott does not pay drayage at destination. Title for Vaporizers and other similar hardware equipment passes as specified in the customer's contract.

- Deliveries must be inspected by customer for shortages or damages before carrier departs, and noted on the freight bill.

4.7 SPECIAL HANDLING CHARGES:

Abbott reserves the right to invoke freight and handling charges for any special shipment requests, including but not limited to expedited shipments or special transportation costs.

4.8 FORCE MAJEURE:

Abbott 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, acts of governmental authority, terrorism, war, acts of God, or other causes beyond its control. Customer agrees that in such events, Abbott may allocate available products among its customers and Abbott's own requirements, without liability and at its sole discretion.

4.9 MATERIAL SAFETY DATA SHEETS:

The Pharmaceutical Products Division will furnish material safety data sheets upon request. Please make this request for specific products in writing identifying:

Product Trade Name

Product List Number

Send your request to:

Global Medical Information Services

Global Pharmaceutical Research & Development

R4Pi, AP34-2

200 Abbott Park Rd

Abbott Park, IL 60064-3537

medinfo@abbott.com

1-800-633-9110

4.10 REQUESTS FOR PHARMACEUTICAL MEDICAL INFORMATION:

Customer inquiries for drug information regarding the products from Abbott Pharmaceutical Products Division should be directed to:

Global Medical Information Services

Global Pharmaceutical Research & Development

R4Pi, AP34-2

200 Abbott Park Rd

Abbott Park, IL 60064

medinfo@abbott.com

1-800-633-9110

4.11 GUARANTEE:

Abbott makes the express warranties contained in the Abbott Laboratories Inc. Pharmaceutical Products Division catalog and in the descriptions and directions for use of the labeling for products offered for sale in the catalog. All products are guaranteed to meet the requirements of all federal laws and regulations. This guarantee relates to the identity and purity of the ingredients and to the skill and care used in the production of the articles sold. However, because Abbott has no control over the use or administration of these products, Abbott cannot give and hereby disclaims any guarantee concerning the effect on the patient. It is the responsibility of those persons who are informed in the medical sciences and are competent to judge from the diagnosis, and in light of the circumstances of the case, whether any of these products prescribed or administered, how and in what dosage they should be given for the benefit of the patient. It is Abbott's

intention to give to its customers, whenever possible, all needed or desired information concerning each product sold by Abbott. Inquiries or comments concerning formulas, dosages, and the like, will receive our prompt consideration.

ABBOTT MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PRODUCTS LISTED IN THE ABBOTT LABORATORIES INC. PHARMACEUTICAL PRODUCTS DIVISION CATALOG, AND SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE. ABBOTT SHALL NOT BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES OR LOST PROFITS.

SECTION 5: RETURNED GOODS POLICY

All Abbott product, regardless of where purchased, may be returned to Abbott for destruction. Credits will be granted for returned product under the Terms and Conditions set forth in the following policy. Returns that fall outside of criteria will require written approval from Abbott Laboratories Inc. Pharmaceutical Products Division Customer Service. Abbott reserves the right to change this policy without advance notice. This policy will be adapted to comply with all State or local laws pertaining to returned pharmaceutical products.

5.1 INCORRECT SHIPMENTS OR SHORTAGES:

Incorrect shipments or shortages must be reported to Pharmaceutical Products Division Customer Service upon receipt of product. Unless exceptions are clearly noted on the delivery receipt by the delivery agent, the entire shipment of products should be declined when there is an incorrect shipment. Please include the following necessary information in your claim:

- (a) Name, address and Abbott customer number.
- (b) Invoice number, date and dollar value.
Describe error or shortage upon receipt of delivery.

All credits shall be applied to the invoice from which the product was shipped and received.

5.2 ORDERING ERRORS:

Product delivered to customers due to ordering errors may be returned for 100% credit subject the following conditions: (1) customer obtains a Returned Goods Request and shipping labels from PPD Customer Service in accordance with Section 8.1 of our General Returned Goods Procedure, (2) the product is returned to Abbott in saleable original, full and unopened condition and (3) the product is able to be restocked by Abbott. Customers should immediately notify Abbott Laboratories Inc. Pharmaceutical Products Division Customer Service of any ordering errors.

5.3 SHIPPING ERRORS:

Product delivered to customers due to shipping errors by Abbott will be eligible for 100% credit. Customers should immediately notify Abbott Laboratories Inc. Pharmaceutical Products Division Customer Service for prompt resolution.

5.4 DAMAGED SHIPMENTS:

Customer is required to notify Abbott within ten (10) days after receipt of shipment and is required to provide the carrier's damaged goods report or other similar documentation. Any visible damage should be noted upon receipt of delivery.

5.5 LOST SHIPMENTS:

Promptly upon determination that a shipment from Abbott has been lost and not received by the Customer, Customer should contact Abbott Laboratories Inc. Pharmaceutical Products Division Customer Service.

5.6 SHORT DATED PRODUCT:

Product invoiced by Abbott with less than twelve (12) months expiration dating is classified as “Short Dated” and will be eligible for credit provided that it is received by Abbott no more than twelve (12) months past the product’s expiration date with the exception of expired Acute Care Pharmaceuticals or Lupron as discussed below. If customer is requesting return of product received with short dating, customer must provide Pharmaceutical Products Division Customer Service the following information: NDC product code, lot number, expiration date, invoice number and quantity to be returned.

5.7 NEWLY LAUNCHED PRODUCT:

Product purchased within sixty (60) days of a product’s market launch shall be eligible for credit provided it is returned within twelve (12) months of that product’s market launch.

5.8 PRODUCT RETURNS FOR DESTRUCTION:

Abbott accepts merchandise for destruction. The sender must obtain a DEA 222 order form from Abbott prior to the return of any CII merchandise.

A return of Abbott product for destruction must be shipped prepaid to:

Abbott Laboratories Inc.
c/o Capital Returns Inc.
6101 North 64th Street
Milwaukee, Wisconsin 53218

A return of Lupron product for destruction must be shipped prepaid to:

Abbott Laboratories Inc.
c/o Stericycle, Inc.
2670 Executive Drive
Indianapolis, IN 46241

SECTION 6: EXPIRED PRODUCT POLICY

6.1 ALLOWANCE IN LIEU OF RETURNS:

All direct purchasing customers will receive an allowance equal to one percent (1%) of their gross purchases, to be paid by credit memo during the month following any purchases made from the Pharmaceutical Products Division with the exceptions of Lupron and the Acute Care Pharmaceutical Products listed below. No further allowance is provided for expired product.

SECTION 7: LUPRON AND ACUTE CARE PHARMACEUTICALS PRODUCT POLICY

Calcijex Lupron Nimbex
 Ultane Zemplar (IV only)

7.1 RETURN GOODS CREDIT FOR LUPRON AND EXPIRED ACUTE CARE PHARMACEUTICALS (ACP) ONLY (WHEN RETURNED IN A FULL SALEABLE UNIT):

- (a) 100% credit for Lupron:
 - Returns must not be more than twelve (12) months past expiration.
 - Returns of Lupron product must be in full, original unit-of-sale containers and accompanied by a properly signed Return Goods Authorization (RGA) form.
- (b) 100% credit for Calcijex and IV Zemplar. Returns must not be more than six (6) months past expiration.
- (c) 100% credit for unopened Nimbex® vials removed from refrigeration and available for use on carts or trays for over 21 days. Vials must be returned no later than six (6) months after expiration. Eligible products are NDC # 0074-4378-05 and 0074-4380-10 only.
- (d) 50% credit for Ultane that are returned in undamaged and unopened cases or shelf packs (or a saleable unit as determined by Abbott) returned up to six (6) months after expiration date.
- (e) Abbott Laboratories Inc. Pharmaceutical Product Division may reduce or refuse credit when inadequate inventory controls cause excessive product returns.

Lupron and expired Acute Care Pharmaceuticals

Product	% Credit	Last Date to Return Product
Calcijex	100%	6 months after expiration
Lupron	100%	12 months after expiration
Nimbex	100%	6 months after expiration
Ultane	50%	6 months after expiration
Zemplar (IV only)	100%	6 months after expiration

SECTION 8: GENERAL RETURNED GOODS PROCEDURE

All product returns must follow the returned goods procedure specified below:

- 8.1 Returned product should be accompanied by a Returned Goods Request (RGR), which may be obtained from Abbott Laboratories Inc., Pharmaceutical Products Division Customer Service at 1-800-255-5162. Customer should provide NDC product code, lot number, expiration date, invoice number, and quantity to be returned. Abbott Laboratories Inc. Pharmaceutical Products Division Customer Service will send RGR forms and shipping labels to customer. Hardware items controlled by serial number must be returned with the original serial number intact. (Ultane vaporizers)
- 8.2 Returns must be shipped to the location designated by Abbott Laboratories Inc. Pharmaceutical Products Division Customer Service. Returns must be shipped freight prepaid. Product must be returned within 30 days from the date the RGR was initiated.

- (a) If the product was not originally ordered through a wholesaler, credit will be issued directly to the account through which the product was ordered.
- (b) For product originally ordered through a wholesaler, all credit will be issued through the wholesaler through which the product was purchased. The wholesaler is responsible for issuing credit to the end customer.
- (c) Abbott will help arrange and pay for a carrier to pick up product returned due to Abbott's error. Customer may arrange and pay for the return of product. Abbott will reimburse freight costs when Abbott's error caused the return.
- (d) Upon receipt of returned goods, Returned Goods Request (RGR), quantities returned, and product condition will be verified before credit is issued.
- (e) If original purchase price cannot be substantiated with an invoice from Abbott, the returned product will be valued at WAC (Wholesaler Acquisition Cost), contract or deal price, as applicable, as of date of product withdrawal unless Abbott determines that another price from a prior period is appropriate. Returns of newly launched product will be valued at launch price.
- (f) Credit for any products subject to the 1% returned goods allowance shall be reduced by any 1% returned goods allowance paid by Abbott.
- (g) Credit will only be issued for returns which have a value greater than \$25.
- (h) Credit will only be considered for products and quantities specified on the Return Goods Request (RGR).

8.3 Abbott will not accept the following product for return and no credit will be issued:

- (a) Counterfeit products or products that have been subject to re-importation.
- (b) Products obtained illegally or that have been diverted or resold by the end customer.
- (c) Products purchased through an unauthorized wholesaler/distributor or other alternative source.
- (d) Products acquired from Abbott as non-returnable.
- (e) Products that have been repackaged and/or not returned in original Abbott package.
- (f) Products that were subject to a deal, emergency liquidation, bankruptcy sale or have deteriorated due to conditions beyond the control of the manufacturer, including, but not limited to, improper storage; heat; cold; or water; smoke or fire damage.
- (g) Products manufactured to customer specification.

(h) Freight collect returned goods shipments. Collect freight charges paid by Abbott will be debited to the customer's account.

(i) Product samples.

(j) Products that do not meet the eligibility requirements under this Policy.

8.4 Abbott reserves the right to destroy products which are returned outside the above policy, or which are considered unfit or unsafe for use. Abbott is solely responsible for determining if returned product is saleable. Products not distributed or manufactured by Abbott Laboratories Inc. will be destroyed upon receipt without compensation to sender.

8.5 Returned goods processors may return expired product on behalf of their customers using Abbott provided or approved Returned Goods Request forms. Required information includes customer name and address, customer's Abbott account number, NDC product code, lot number, expiration date, invoice number and quantity to be returned. A copy of the Returned Goods form is available from Abbott Laboratories Inc. Pharmaceutical Products Division Customer Service. If the product being returned is a controlled substance, the returned goods processor must also provide their name, address and DEA registration number in addition to the Abbott customer information.

- Any request for credit for returned product handled by a Third Party Returned Goods Processor must be initiated by the customer and submitted to Abbott within one hundred and twenty (120) days of product withdrawal. If approved, the credit will be paid to the customer. Credit for any claims submitted after one hundred and twenty (120) days shall be at the sole discretion of Abbott. Returns must be segregated by customer or credit may be delayed or denied.
- Field destruction of expired product, excluding Schedule II controlled drugs, will **not** be accepted for credit except as set forth in section 8.6.

8.6 Customers may use their own returned goods processor to destroy Abbott products including Scheduled drugs. The Drug Enforcement Administration (DEA) requires approved destructions to be documented on a DEA Form 41. Send Abbott a copy of the pages of the DEA Form 41 that document the name and address of the returned goods processor, the Abbott product that was destroyed, the destruction date and the signatures of the two individuals who witnessed the destruction. Also include the customer name and address, Abbott account number, product NDC number, lot number, quantity, size description and expiration date.