

Carrier Agreement



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

Pricing. UPS will provide the pickup and delivery services ("Services") as set forth below subject to the terms of this Agreement. These Services will be provided with the incentives ("Incentives") as also set forth below. These Incentives shall only be available to the locations and account numbers approved and identified in **Addendum A**. Account numbers of Customer and its affiliates, each of which is more than fifty percent (50.0%) owned by Customer, may be added or deleted only by mutual written agreement of Customer and UPS and require seven (7) business days notice to UPS to become effective. Customer is prohibited from reselling or offering 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 and the minimum rates in **Addendum B** are based on and derived from the most recently published UPS Daily Rates available at www.ups.com and are subject to change based on changes to such list rates. Each eligible package (or shipment) and accessory will receive its applicable Incentive for the term of this Agreement. Incentives are applied on a weekly basis unless otherwise specified. Incentives shall be applied to prepaid outbound shipments unless otherwise noted. This Agreement will be subject to periodic review by UPS for Customer compliance.

Automation. Customer agrees to supply the UPS Service Provider with a hard copy summary manifest at the time that the packages are tendered to UPS for shipment and provide UPS with Timely Upload of electronic Package Level Detail ("PLD") in a form acceptable to UPS. PLD includes, but is not limited to, consignee's full name, complete delivery address, package weight and zone. Timely Upload is defined as the electronic transmission of PLD to UPS at the time the packages are tendered to UPS. Customer agrees to provide smart labels on all packages tendered to UPS. A smart label, as defined herein and described in the current UPS Guide to Labeling, which may be updated from time to time by UPS, includes, but is not limited to, a MaxiCode, Postal Bar Code, current UPS Routing Code, appropriate UPS Service Icon and a UPS 1Z Tracking Number Bar Code. Customer further agrees that all shipping locations will use a UPS OnLine or OnLine compatible shipping solution that is approved and authorized by UPS as such.

Payment Terms. Customer agrees to pay for all shipments in full within the time period required by UPS. For Accounts designated on Addendum A, Incentives are conditioned on payment by Electronic Funds Transfer or Check

SurePost. Rates applicable to UPS SurePost Service are set forth at www.ups.com/content/us/en/preferred/lws_index.html.

Service. All Services provided by UPS shall be pursuant to the UPS Rate and Service Guide and UPS Tariff/Terms and Conditions of Service in effect at the time of shipping, each of which are incorporated herein by reference and which may be subject to change without prior notice and which, together with this Agreement, are the entire agreement and understanding between Customer and UPS relating to the relationship under this Agreement, superseding all prior or contemporaneous agreements or understandings. UPS SurePost Service is provided pursuant to the UPS SurePost Terms of Service, located at www.ups.com/content/us/en/preferred/lws_index.html, which are also incorporated herein by this reference.

Confidentiality. Customer and UPS agree to maintain the confidentiality of this Agreement including its rates, terms and Incentives as well as any discussions during the Term concerning the meaning or application of such terms or any changes to them, or concerning a renewal of this Agreement or the negotiation of a new agreement including any new proposals provided by UPS to Customer ("Confidential Information") unless disclosure is required by law. Neither party shall post or publically display Confidential Information or share with any third party without written consent of the other party.

Offer Expiration and Prior Agreements. This offer is void if not accepted by February 2, 2018 ("Deadline"). Customer may accept Agreement by providing a duly signed copy of this Agreement to UPS by the Deadline. This Agreement supersedes all other agreements between the Customer and UPS regarding these Services. This Agreement is hereby signed and executed by authorized representatives of both parties.

Term. The Incentives contained in this Agreement take effect on the Monday following the signing of this Agreement or the Effective Date, whichever is later and continue until terminated by either party. Either party may terminate this Agreement at any time upon 30 days prior written notice to the other. In addition to these termination rights, UPS shall have the right to terminate the UPS SurePost Service Incentive Program set forth herein immediately (i) if Customer fails to comply with any term of the UPS SurePost , or (ii) if the US Postal Service eliminates or changes the terms under which it provides the Lightweight Parcel Select Service for packages tendered pursuant to UPS SurePost.

UPS

United Parcel Service Inc.

By: Walter H

Title: SAT

Address: 3143 E Jurupa ST
Ontario - CA 91761

Date Signed: 01/08/2018

Effective Date:

Customer

PEPPERGATE FOOTWEAR

By: Luke Chen

Title: Luke Chen

Address: 910 S Wanamaker Ave
Ontario. CA 91761

Date Signed: 01/08/2018

Effective Date: 1/20/2018

Addendum A
List of Account Numbers



PEPPERGATE FOOTWEAR's UPS accounts identified below shall be included in the Agreement.

The following accounts shall have their activity committed and are eligible for incentives as specified in Addendum B:

ACCOUNT	NAME AND ADDRESS	Commodity Tier **
Section 1 :		
000089708E	PEPPER GATE FOOTWEAR 910 S WANAMAKER AVE ONTARIO, CA 91761	05
00009V1287 ¹	BUDDYCRATE LLC 2901 W MACARTHUR BLVD SANTA ANA, CA 92704	
0000A6038Y ¹	PEPPER GATE FOOTWEAR 910 S WANAMAKER AVE ONTARIO, CA 91761	
0000Y86665	SHOECABIN 910 S WANAMAKER AVE ONTARIO, CA 91761	

The following accounts shall have their activity committed as specified in Addendum B:

ACCOUNT	NAME AND ADDRESS
Section 2:	
23900225	PEPPER GATE FOOTWEAR CORP ONTARIO, CA 91761

*If there is an account number for the same service included in another UPS agreement, such account number will be deemed deleted from such other agreement as of the effective date.

** The commodity tier displayed is for Hundredweight outbound prepaid. For other Hundredweight Billing Options (third party, freight collect and consignee billing) please refer to the Hundredweight Service Contract Agreement. UPS Hundredweight rates and incentives will only apply to UPS accounts with an active Hundredweight Tier (01-07). The stated commodity tier set forth in this Addendum supersedes the commodity tier set forth in any existing Hundredweight Service Contract Agreement between the parties.

UPS Hundredweight rates and incentives will only apply to UPS accounts with an active Hundredweight Tier (01-07).

1. Incentives require payment by Electronic Funds Transfer or check.

Addendum B Incentives



All incentives contained in this Addendum B apply to the UPS rates in effect at the time of shipment and shall be applied on a weekly basis unless otherwise specified.¹

UPS® Ground - Commercial Package - Prepaid^{FC TP UP RS RTP} - Incentives Off Effective Rates

Weight (lbs)	Zones									
	2	3	4	5	6	7	8	44	45	46
1 - 5	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	10.00%	10.00%	10.00%
6 - 20	31.00%	31.00%	31.00%	31.00%	31.00%	31.00%	31.00%	10.00%	10.00%	10.00%
21 - 50	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	10.00%	10.00%	10.00%
51 - 150	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	10.00%	10.00%	10.00%
151 and up	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	10.00%	10.00%	10.00%

Commitment levels for UPS® Ground - Commercial Package - Prepaid are at least \$8,745.28 in gross List Rates per week.

UPS® Ground - Residential Package - Prepaid Frt^{FC TP RS RTP} - Incentives Off Effective Rates

Weight (lbs)	Zones									
	2	3	4	5	6	7	8	44	45	46
1 - 5	20.50%	20.50%	20.50%	20.50%	20.50%	20.50%	20.50%	10.00%	10.00%	10.00%
6 - 20	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	10.00%	10.00%	10.00%
21 - 30	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	10.00%	10.00%	10.00%
31 - 150	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	10.00%	10.00%	10.00%
151 and up	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	10.00%	10.00%	10.00%

Commitment levels for UPS® Ground - Residential Package - Prepaid Frt are at least \$2,927.55 in gross List Rates per week.

UPS® Ground - Residential Delivery Surcharge - Incentives Off Effective Rates - 35.00%

Incentives effective from January 6, 2018 to December 26, 2020.

UPS SurePost® - 1lb or greater - Residential Package - Prepaid - Incentives Off Effective Rates

Weight (lbs)	Zones						
	2	3	4	5	6	7	8
1 - 9	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
10 - 70	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
71 and up	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Commitment levels for UPS SurePost® - 1lb or greater - Residential Package - Prepaid are at least \$8.53 in gross List Rates per week.

UPS SurePost® - Less than 1lb - Residential Package - Prepaid - Incentives Off Effective Rates

Weight (oz)	Zones						
	2	3	4	5	6	7	8
1 - 16	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

Commitment levels for UPS SurePost® - Less than 1lb - Residential Package - Prepaid are at least \$0.77 in gross List Rates per week.

UPS Worldwide Express® - Export - Letter - Prepaid^{All} - Incentives Off Effective Rates - 54.00%

UPS Worldwide Express® - Export - Document - Prepaid^{All} - Incentives Off Effective Rates - 54.00%

UPS Worldwide Express® - Export - Package - Prepaid^{All} - Incentives Off Effective Rates - 54.00%

UPS Worldwide Express® - Export - Pak - Prepaid^{All} - Incentives Off Effective Rates - 54.00%

UPS Worldwide Saver® - Export - Letter - Prepaid^{All} - Incentives Off Effective Rates - 54.00%

UPS Worldwide Saver® - Export - Document - Prepaid^{All} - Incentives Off Effective Rates - 54.00%

UPS Worldwide Saver® - Export - Package - Prepaid^{All} - Incentives Off Effective Rates - 54.00%

UPS Worldwide Saver® - Export - Pak - Prepaid^{All} - Incentives Off Effective Rates - 54.00%

UPS Worldwide Export Express Freight Midday™ Pallet All^{All CL} - Incentives Off Effective Rates - 54.00%

UPS Worldwide Export Express Freight™ Pallet All^{All CL} - Incentives Off Effective Rates - 54.00%

UPS Worldwide Expedited® - Export - Document - Prepaid^{All} - Incentives Off Effective Rates - 54.00%

UPS Worldwide Expedited® - Export - Package - Prepaid^{All} - Incentives Off Effective Rates - 54.00%

UPS® Standard to Canada - Export - Package - Prepaid^{All} - Incentives Off Effective Rates - 5.00%

UPS® Standard to Mexico - Export - Document - Prepaid^{All} - Incentives Off Effective Rates - 32.00%

UPS® Standard to Mexico - Export - Package - Prepaid^{All} - Incentives Off Effective Rates - 32.00%

UPS Worldwide Express® - Import - Letter - Freight Collect^{All} - Incentives Off Effective Rates - 40.00%

UPS Worldwide Express® - Import - Document - Freight Collect^{All} - Incentives Off Effective Rates - 40.00%

UPS Worldwide Express® - Import - Package - Freight Collect^{All} - Incentives Off Effective Rates - 40.00%

UPS Worldwide Saver® - Import - Letter - Freight Collect^{All} - Incentives Off Effective Rates - 40.00%

UPS Worldwide Saver® - Import - Document - Freight Collect^{All} - Incentives Off Effective Rates - 40.00%

UPS Worldwide Saver® - Import - Package - Freight Collect^{All} - Incentives Off Effective Rates - 40.00%

UPS Worldwide Import Express Freight Midday™ Pallet All^{All CL} - Incentives Off Effective Rates - 40.00%

UPS Worldwide Import Express Freight™ Pallet All^{All CL} - Incentives Off Effective Rates - 40.00%

UPS Worldwide Expedited® - Import - Document - Freight Collect^{All} - Incentives Off Effective Rates - 40.00%

UPS Worldwide Expedited® - Import - Package - Freight Collect^{All} - Incentives Off Effective Rates - 40.00%

UPS® Standard from Canada - Import - Package - Freight Collect^{All} - Incentives Off Effective Rates - 5.00%

UPS® Standard from Mexico - Import - Document - Freight Collect^{All} - Incentives Off Effective Rates - 32.00%

UPS® Standard from Mexico - Import - Package - Freight Collect^{All} - Incentives Off Effective Rates - 32.00%

Portfolio Tier Incentive

Each eligible package will receive an incentive per the following schedule based on a 52 week rolling average of eligible package charges invoiced to customer. The band determination is based on the average published charges per week for eligible services (excluding accessorial and surcharges, unless otherwise specified). The incentives will be administered on a weekly basis.

Service(s)	Weekly Charges Bands - (\$)						
	0.00 - 8,024.99	8,025.00 - 10,029.99	10,030.00 - 12,539.99	12,540.00 - 15,674.99	15,675.00 - 26,099.99	26,100.00 - 34,714.99	34,715.00 and up
UPS Next Day Air® - Letter - Prepaid Frt ^{FC TP UP RS RTP}	0.00%	41.30%	47.20%	53.10%	59.00%	60.00%	61.00%
UPS Next Day Air® - Package - Prepaid Frt ^{FC TP UP RS RTP}	0.00%	41.30%	47.20%	53.10%	59.00%	60.00%	61.00%
UPS Next Day Air Saver® - Letter - Prepaid Frt ^{FC TP UP}	0.00%	41.30%	47.20%	53.10%	59.00%	60.00%	61.00%
UPS Next Day Air Saver® - Package - Prepaid Frt ^{FC TP UP}	0.00%	41.30%	47.20%	53.10%	59.00%	60.00%	61.00%
UPS 2nd Day Air A.M.® - Commercial Letter - Prepaid Frt ^{FC TP UP}	0.00%	36.40%	41.60%	46.80%	52.00%	53.00%	54.00%
UPS 2nd Day Air A.M.® - Commercial Package - Prepaid Frt ^{FC TP UP}	0.00%	36.40%	41.60%	46.80%	52.00%	53.00%	54.00%
UPS 2nd Day Air® - Letter - Prepaid Frt ^{FC TP UP RS RTP}	0.00%	36.40%	41.60%	46.80%	52.00%	53.00%	54.00%
UPS 2nd Day Air® - Package - Prepaid Frt ^{FC TP UP RS RTP}	0.00%	36.40%	41.60%	46.80%	52.00%	53.00%	54.00%
UPS 3 Day Select® - Package - Prepaid Frt ^{FC TP UP RS RTP}	0.00%	36.40%	41.60%	46.80%	52.00%	53.00%	54.00%
UPS® Ground - Commercial Package - Prepaid Frt ^{FC TP UP RS RTP}	0.00%	7.00%	8.00%	9.00%	10.00%	11.00%	12.00%
UPS® Ground - Residential Package - Prepaid Frt ^{FC TP RS RTP}	0.00%	5.60%	6.40%	7.20%	8.00%	9.00%	10.00%
UPS® Ground - Hundredweight - Package - Regular Pickup ^{FC TP UP}	0.00%	21.00%	24.00%	27.00%	30.00%	31.00%	32.00%
UPS SurePost® - 1lb or greater - Residential Package - Prepaid	0.00%	7.00%	8.00%	9.00%	10.00%	11.00%	12.00%
UPS SurePost® - Less than 1lb - Residential Package - Prepaid	0.00%	7.00%	8.00%	9.00%	10.00%	11.00%	12.00%

Service(s)	Weekly Charges Bands - (\$)						
	0.00 - 8,024.99	8,025.00 - 10,029.99	10,030.00 - 12,539.99	12,540.00 - 15,674.99	15,675.00 - 26,099.99	26,100.00 - 34,714.99	34,715.00 and up
UPS Worldwide Express® - Export - Letter - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Express® - Export - Document - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Express® - Export - Package - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Express® - Export - Pak - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Saver® - Export - Letter - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Saver® - Export - Document - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Saver® - Export - Package - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Saver® - Export - Pak - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Export Express Freight Midday™ Pallet All ^{All CL}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Export Express Freight™ Pallet All ^{All CL}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Expedited® - Export - Document - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Expedited® - Export - Package - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS® Standard to Canada - Export - Package - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS® Standard to Mexico - Export - Document - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS® Standard to Mexico - Export - Package - Prepaid ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Express® - Import - Letter - Freight Collect ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	15.50%	16.00%
UPS Worldwide Express® - Import - Document - Freight Collect ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	15.50%	16.00%
UPS Worldwide Express® - Import - Package - Freight Collect ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	15.50%	16.00%
UPS Worldwide Saver® - Import - Letter - Freight Collect ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	15.50%	16.00%
UPS Worldwide Saver® - Import - Document - Freight Collect ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	15.50%	16.00%
UPS Worldwide Saver® - Import - Package - Freight Collect ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	15.50%	16.00%
UPS Worldwide Import Express Freight Midday™ Pallet All ^{All CL}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Import Express Freight™ Pallet All ^{All CL}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS Worldwide Expedited® - Import - Document - Freight Collect ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	15.50%	16.00%
UPS Worldwide Expedited® - Import - Package - Freight Collect ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	15.50%	16.00%
UPS® Standard from Canada - Import - Package - Freight Collect ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS® Standard from Mexico - Import - Document - Freight Collect ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%
UPS® Standard from Mexico - Import - Package - Freight Collect ^{All}	0.00%	10.50%	12.00%	13.50%	15.00%	16.00%	17.00%

For the first 4 week(s) of this agreement, discounts per the schedule for eligible services will be applied based on published charges per week of \$17,415.00.

After the first 4 week(s) of this agreement, average weekly published charges per week will be based on week 4 through the week prior to the current billing week not to exceed 52 week(s). Average weekly published charges per week is defined as the revenue from eligible and committed services for the given time period divided by the number of week(s) in the time period.

The following products will be included in determining the appropriate bands of the customer: Service(s) listed in Group(s) *All Small Package Freight, All International Import, All UPS Freight, All UPS Ground with Freight Pricing** of the Committed Services section at the end of the Addendum B.

For the purposes of determining the appropriate band of the customer, UPS will consider activity by the account numbers specified in Addendum A , Section 2.

Minimum Net Charge

For each shipment, Customer agrees to pay the greater of the (a) net shipment charge based on the above incentives or (b) the minimum net shipment charge. When applicable, Minimum net shipment charge is calculated by deducting the applicable percent off (by zone) in the table below from the published list rate for the respective service.

Service: UPS Worldwide Express® - Export - Letter - Prepaid ^{All} - Adjustment to the Rate Per Letter Per Zone (\$)														
081	082	084	901	902	903	904	905	906	907	908	909	911	912	913
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

(Continued)

920	921
-40.00%	-40.00%

Service: UPS Worldwide Express® - Export - Document - Prepaid ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
081	082	084	901	902	903	904	905	906	907	908	909	911	912	913
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

(Continued)

920	921
-40.00%	-40.00%

Service: UPS Worldwide Express® - Export - Package - Prepaid ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
081	082	084	901	902	903	904	905	906	907	908	909	911	912	913
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

(Continued)

920	921
-40.00%	-40.00%

Service: UPS Worldwide Express® - Export - Pak - Prepaid ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
081	082	084	901	902	903	904	905	906	907	908	909	911	912	913
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

(Continued)

920	921
-40.00%	-40.00%

Service: UPS Worldwide Saver® - Export - Letter - Prepaid ^{All} - Adjustment to the Rate Per Letter Per Zone (\$)														
401	402	403	404	405	406	407	408	409	411	412	413	420	421	481
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

(Continued)

482	484
-40.00%	-40.00%

Service: UPS Worldwide Saver® - Export - Document - Prepaid ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
401	402	403	404	405	406	407	408	409	411	412	413	420	421	481
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

(Continued)

482	484
-40.00%	-40.00%

Service: UPS Worldwide Saver® - Export - Package - Prepaid ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
401	402	403	404	405	406	407	408	409	411	412	413	420	421	481
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

(Continued)

482	484
-40.00%	-40.00%

Service: UPS Worldwide Saver® - Export - Pak - Prepaid ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
401	402	403	404	405	406	407	408	409	411	412	413	420	421	481
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

(Continued)
482
-40.00% -40.00%

Service: UPS Worldwide Expedited® - Export - Document - Prepaid ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
071	072	074	601	602	603	604	605	606	607	608	609	611	612	613
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

(Continued)
620
-40.00% -40.00%
621
-40.00%
631
-40.00%
632
-40.00%
633
-40.00%
634
-40.00%
635
-40.00%
636
-40.00%
637
-40.00%
638
-40.00%
639
-40.00%
641
-40.00%
642
-40.00%
643

Service: UPS Worldwide Expedited® - Export - Package - Prepaid ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
071	072	074	601	602	603	604	605	606	607	608	609	611	612	613
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

(Continued)
620
-40.00% -40.00%
621
-40.00%
631
-40.00%
632
-40.00%
633
-40.00%
634
-40.00%
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-40.00%
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-40.00%
637
-40.00%
638
-40.00%
639
-40.00%
641
-40.00%
642
-40.00%
643

Service: UPS® Standard to Canada - Export - Package - Prepaid^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)

051	052	053	054	055	056
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Service: UPS® Standard to Mexico - Export - Document - Prepaid^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)

032	033	034	035	036	037	038
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

Service: UPS® Standard to Mexico - Export - Package - Prepaid^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)

032	033	034	035	036	037	038
-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%	-40.00%

Service: UPS Worldwide Express® - Import - Letter - Freight Collect^{All} - Adjustment to the Rate Per Shipment Per Zone (\$)

91	94	951	952	953	954	955	956	957	958	959	961	962	963
-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%

(Continued)

970	971
-50.00%	-50.00%

Service: UPS Worldwide Express® - Import - Document - Freight Collect^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)

91	94	951	952	953	954	955	956	957	958	959	961	962	963
-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%

(Continued)

970	971
-50.00%	-50.00%

Service: UPS Worldwide Express® - Import - Package - Freight Collect^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)

91	94	951	952	953	954	955	956	957	958	959	961	962	963
-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%

(Continued)

970	971
-50.00%	-50.00%

Service: UPS Worldwide Saver® - Import - Letter - Freight Collect^{All} - Adjustment to the Rate Per Shipment Per Zone (\$)

451	452	453	454	455	456	457	458	459	461	462	463	470	471
-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%

(Continued)	
491	494
-50.00%	-50.00%

Service: UPS Worldwide Saver® - Import - Document - Freight Collect ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
451	452	453	454	455	456	457	458	459	461	462	463	470	471	
-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%

(Continued)	
491	494
-50.00%	-50.00%

Service: UPS Worldwide Saver® - Import - Package - Freight Collect ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
451	452	453	454	455	456	457	458	459	461	462	463	470	471	
-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%

(Continued)	
491	494
-50.00%	-50.00%

Service: UPS Worldwide Expedited® - Import - Document - Freight Collect ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
61	64	651	652	653	654	655	656	657	658	659	661	662	663	670
-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%

(Continued)												
671	681	682	683	684	685	686	687	688	689	691	692	693
-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%

Service: UPS Worldwide Expedited® - Import - Package - Freight Collect ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)														
61	64	651	652	653	654	655	656	657	658	659	661	662	663	670
-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%

(Continued)												
671	681	682	683	684	685	686	687	688	689	691	692	693
-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%	-50.00%

Service: UPS® Standard from Canada - Import - Package - Freight Collect ^{All} - Adjustment to the 1 lb Rate Per Shipment Per Zone (\$)		
376	378	380
0.00%	0.00%	0.00%

Service	Minimum Per	Zone	Base Rate	Adjustment
UPS Next Day Air® - Letter - Prepaid Frt ^{FC TP UP RS RTP}	Letter	ALL	UPS Next Day Air® Zone 102	-10.73
UPS Next Day Air® - Package - Prepaid Frt ^{FC TP UP RS RTP}	Package	ALL	UPS Next Day Air® Zone 102 1 lb	-14.03
UPS Next Day Air Saver® - Letter - Prepaid Frt ^{FC TP UP}	Letter	ALL	UPS Next Day Air Saver® Zone 132	-10.36
UPS Next Day Air Saver® - Package - Prepaid Frt ^{FC TP UP}	Package	ALL	UPS Next Day Air Saver® Zone 132 1 lb	-12.02
UPS 2nd Day Air A.M.® - Commercial Letter - Prepaid Frt ^{FC TP UP}	Letter	ALL	UPS 2nd Day Air A.M.® Zone 242	-6.61
UPS 2nd Day Air A.M.® - Commercial Package - Prepaid Frt ^{FC TP UP}	Package	ALL	UPS 2nd Day Air A.M.® Zone 242 1 lb	-6.49
UPS 2nd Day Air® - Letter - Prepaid Frt ^{FC TP UP RS RTP}	Letter	ALL	UPS 2nd Day Air® Zone 202	-5.46
UPS 2nd Day Air® - Package - Prepaid Frt ^{FC TP UP RS RTP}	Package	ALL	UPS 2nd Day Air® Zone 202 1 lb	-5.62
UPS 3 Day Select® - Package - Prepaid Frt ^{FC TP UP RS RTP}	Package	ALL	UPS 3 Day Select® Zone 302 1 lb	
UPS® Ground - Commercial Package - Prepaid Frt ^{FC TP UP RS RTP}	Package	ALL	UPS Ground Zone 002 1 lb	
UPS® Ground - Residential Package - Prepaid Frt ^{FC TP RS RTP}	Package	ALL	UPS Ground Zone 002 1 lb	

Committed Services:

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; 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 Freight³: The following prepaid, freight collect, third party net transportation charges will be used to determine the customer's incentive levels: UPS Freight LTL, UPS Freight LTL Guaranteed A.M., UPS Freight LTL Guaranteed, UPS Freight LTL Urgent.

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.

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(s)	Electronic PLD Bonus
UPS Next Day Air® - Letter - Prepaid Frt	10.00%
UPS Next Day Air® - Package - Prepaid Frt	10.00%
UPS Next Day Air Saver® - Letter - Prepaid Frt	10.00%
UPS Next Day Air Saver® - Package - Prepaid Frt	10.00%
UPS 2nd Day Air A.M.® - Commercial Letter - Prepaid	10.00%
UPS 2nd Day Air A.M.® - Commercial Package - Prepaid	10.00%
UPS 2nd Day Air® - Letter - Prepaid Frt	10.00%
UPS 2nd Day Air® - Package - Prepaid Frt	10.00%
UPS 3 Day Select® - Package - Prepaid Frt	10.00%
UPS® Ground - Commercial Package - Prepaid	5.00%
UPS® Ground - Residential Package - Prepaid Frt	5.00%
UPS® Ground - Hundredweight - Package - Regular Pickup	5.00%
UPS SurePost® - 1lb or greater - Residential Package - Prepaid	5.00%
UPS SurePost® - Less than 1lb - Residential Package - Prepaid	5.00%
UPS Worldwide Express® - Export - Letter - Prepaid	10.00%
UPS Worldwide Express® - Export - Document - Prepaid	10.00%
UPS Worldwide Express® - Export - Package - Prepaid	10.00%
UPS Worldwide Express® - Export - Pak - Prepaid	10.00%
UPS Worldwide Saver® - Export - Letter - Prepaid	10.00%
UPS Worldwide Saver® - Export - Document - Prepaid	10.00%
UPS Worldwide Saver® - Export - Package - Prepaid	10.00%
UPS Worldwide Saver® - Export - Pak - Prepaid	10.00%
UPS Worldwide Expedited® - Export - Document - Prepaid	10.00%
UPS Worldwide Expedited® - Export - Package - Prepaid	10.00%
UPS® Standard to Canada - Export - Package - Prepaid	10.00%
UPS® Standard to Mexico - Export - Document - Prepaid	10.00%
UPS® Standard to Mexico - Export - Package - Prepaid	10.00%
UPS Worldwide Export Express Freight Midday™ Pallet All	10.00%

Service(s)	Electronic PLD Bonus
UPS Worldwide Export Express Freight™ Pallet All	10.00%
UPS Worldwide Express® - Import - Letter - Freight Collect	10.00%
UPS Worldwide Express® - Import - Document - Freight Collect	10.00%
UPS Worldwide Express® - Import - Package - Freight Collect	10.00%
UPS Worldwide Saver® - Import - Letter - Freight Collect	10.00%
UPS Worldwide Saver® - Import - Document - Freight Collect	10.00%
UPS Worldwide Saver® - Import - Package - Freight Collect	10.00%
UPS Worldwide Expedited® - Import - Document - Freight Collect	10.00%
UPS Worldwide Expedited® - Import - Package - Freight Collect	10.00%
UPS® Standard from Canada - Import - Package - Freight Collect	10.00%
UPS® Standard from Mexico - Import - Document - Freight Collect	10.00%
UPS® Standard from Mexico - Import - Package - Freight Collect	10.00%
UPS Worldwide Import Express Freight™ Pallet All	10.00%
UPS Worldwide Import Express Freight Midday™ Pallet All	10.00%

The following methods of providing UPS shipment information will be considered non-electronic for this agreement: Manifest Key Entered, Manifest Summary, Hundredweight Shipping Document, Paper Waybill, Air Shipping Document, Shipping Record (SRB/SRM), Consignee Billing Paper Books. All other shipment information will be considered electronic PLD.

Notes:

- Incentives are based on and derived from the most recently published Daily Rates and adjusted periodically pursuant to the terms and conditions of the Carrier Agreement. Updated rate charts will be made available to Customer by contacting your UPS account executive. Rates applicable to UPS SurePost Service are set forth at www.ups.com/content/us/en/preferred/lws_index.html and are not applicable to shipments originating from account numbers that are not included in this agreement. Transportation charges for UPS SurePost packages will be included in any applicable Small Package Freight commitments.
- For UPS Freight services, the rolling average used to calculate the tier band will be based on net transportation charges that will be one week behind the small package net transportation charges used to calculate the tier.

All Includes all available billing options and return services with the exception of WorldEase, Consolidated Clearance and ARS services. Please refer to the UPS Tariff/Terms and Conditions for additional information on available billing options.

FC The incentives will be extended to Freight Collect Shipments and Undeliverable Packages Freight Collect where applicable for the zones listed.

TP The incentives will be extended to Third Party Shipments and Undeliverable Packages Third Party where applicable for the zones listed.

UP Undeliverable Packages will be returned as specified in the UPS Terms and Conditions. Any incentives in effect at the time of shipment for the service in which an undeliverable package is shipped will be applied to the undeliverable package.

RS The incentives will be extended to Return Services where applicable for the zones listed.

RTP The incentives will be extended to Third Party Return Services where applicable for the zones listed.

* UPS Ground with Freight Pricing is committed based on net transportation charges.

CL Worldwide Express Freight service and Worldwide Express Freight Midday service are not available to all countries. For a current list of available countries, visit http://www.ups.com/media/en/gb/wwef_country_list.pdf