



Parcel Cost Management Service Details*

**These Parcel Cost Management Service Details ("Parcel CM Details") adhere to and are in addition to the terms set forth in the Service Order Form and Standard Terms & Conditions.*

1. Services:

AFS shall perform the following services for Customer:

- AFS will analyze Customer's Parcel shipping profile and costs;
- AFS will work with Customer in an advisory capacity in order to improve Parcel incentives for base rates and fees; and
- AFS will receive Customer carrier invoices, evaluate for program compliance and process them weekly. Upon completion of the processing period, AFS will forward to Customer, for approval and payment of invoices, an invoice and a detail of all bills processed.

Customer shall perform the following services for AFS:

Timely provide (or grant access to) information requested by AFS that is necessary for AFS to perform the review and analysis of Customer's parcel shipping costs and savings.

2. Engagement & Terms: Pursuant to the Service Order Form, Customer has agreed to receive Parcel cost management services ("Parcel CM Services") from AFS. Accordingly, Customer agrees to engage AFS as its sole and exclusive representative for the purpose of performing Parcel cost management services for a minimum Term as set forth in the Service Order Form. The Term will begin on the date new Parcel pricing is implemented by Customer and will continue thereafter until the end of the Term ("Parcel CM Services Term"). Accordingly, AFS will begin invoicing Customer for Parcel CM Services after the first carrier billing is received following the implementation of the new Parcel pricing by Customer. Invoicing by AFS will continue thereafter for the number of Parcel CM Term months set forth on the Service Order Form. Parcel CM Services will continue thereafter on a monthly basis until Customer notifies AFS in writing that it no longer wishes to receive such services in accordance with the Notification provision set forth below.¹

3. Fee:

A. Shared Savings

In the event Service Order Form indicates Customer's Fee is based on Shared Savings, the following Fee terms apply:

For the purpose of computing Parcel Savings, the most recent of either Customer's Parcel transportation carrier pricing agreement in place as of the Effective Date of this Agreement (including base rates and/or discount levels) or the most recent written offer made by the Parcel carrier as of the date of this Agreement, shall be considered as the "Benchmark Agreement." Parcel Savings is defined as the

difference between the Benchmark Agreement and the Parcel transportation carrier pricing agreement Customer enters into after AFS' involvement. Only services and surcharges where AFS has improved incentives will be considered in the savings calculation. If no incentives are negotiated for new services or surcharges, the new services and surcharges will not be considered in the Parcel Savings calculation.

AFS' Parcel Savings fee is a percentage of the Parcel Savings realized by Customer on their Parcel transportation cost as set forth in the Service Order Form.

Example: [Shared Savings Fee 50%]

After AFS has achieved cost reductions for Customer, a shipment may cost \$10. If, prior to the involvement of AFS, the cost for this same shipment would have been \$11, the Parcel Savings on this package is \$1 and the AFS fee is \$0.50.

B. Weekly Management Fee

In the event the Service Order Form indicates that Customer's Fee consists of a Weekly Management Fee, the following Fee terms apply:

- For providing the Parcel services set forth above, AFS shall be paid a Management Fee in the amount set forth in the Service Order Form.

C. Weekly Processing Fee

Customer may be charged a Weekly Processing Fee as set forth in the Service Order Form. Weekly processing includes weekly detail, a quarterly summary, and exception reporting. If there is a consolidation of services performed weekly, there will only be one combined Weekly Processing Fee (e.g., the Weekly Processing Fee will encompass all services performed on a weekly basis).

D. Late Fees

Customers who elect to pay their own parcel carrier invoices via voucher are responsible for paying any and all late payment fees assessed by parcel carriers.

Settlement Customers (i.e., Customers who have AFS pay their parcel carrier invoices on their behalf) are responsible for paying any and all late payment fees assessed by parcel carriers if:

- The Customer instructs AFS to short pay the parcel carrier invoice due to any current audit findings; or
- If Customer funds AFS with insufficient time for AFS to, in turn, pay the parcel carrier invoice on time.

4. Non-Circumvention: If Customer switches parcel carriers without the prior written agreement of AFS, Customer hereby agrees that the fees due for Parcel CM Services for the remainder of the Parcel CM Services Term shall accelerate and be immediately due and payable, as described in Section 6 "Termination" below.

5. Covenants: If Customer negotiates shipping rates directly with, or accepts any proposal directly from any carrier following the Effective Date of the Service Order Form, but prior to implementation of new parcel pricing achieved by AFS' Parcel CM Services, Customer agrees to pay fees to AFS based on the cost savings achieved under such contract(s) for the Term set forth herein. This includes any reactionary rate changes issued by a Carrier to

¹ From time to time, AFS may advise the Customer when it is optimal to renegotiate on the Customer's behalf. If any new pricing is agreed upon and implemented, the Parcel CM Services Term will reset for the same period of time set forth in the Service Order Form.



discourage the Customer from proceeding with the rate negotiations by and through AFS.

6. Termination: Parcel CM Services may not be terminated by Customer until the end of the Parcel CM Services Term other than for a breach by AFS that AFS was unable to cure within thirty (30) days of Customer's written notice of such breach. If Customer attempts to terminate the Parcel CM Services prior to the end of the Parcel CM Services Term other than for breach as set forth herein, all amounts due to AFS during the remainder of the Parcel CM Services Term shall be accelerated and shall become immediately due and payable to AFS. The accelerated payment amounts shall be calculated using the average cost savings for the three months immediately preceding the termination. If less than three months of cost savings exist, the greater of the following two scenarios will be used: (1) the average cost savings for the period of time immediately preceding termination; or (2) the average cost savings that would have applied with the new AFS associated pricing to the three months of Customer pricing in place before the AFS associated pricing was implemented.

7. Notification: All notifications or correspondence related to this Agreement shall be sent via Certified Mail to AFS Logistics, L.L.C., Attn: Ryan Jarvis, AFS General Counsel, P.O. Box 18170, Shreveport, LA 71138-1170 along with an e-mail copy to rjarvis@afs.net.