

## STANDARD TERMS AND CONDITIONS FOR DOMESTIC PARCEL SERVICES

These Standard Terms and Conditions for Domestic Parcel Services (the “T&C’s”) govern the Client’s acquisition and use of the Services described herein. By signing the Statement of Work for Parcel Services (“SOW”), you accept the terms of these T&C’s and agree to be bound by them for so long as you use the Services.

### 1. Definitions

- 1.1. “**Client Customer**” means an end consumer of Client (or, in the scenario where Client is not a merchant, of the party engaged by Client) who requires delivery services.
- 1.2. “**Implementation Date**” means the date upon which the first Package is processed through Service Provider’s network.
- 1.3. “**International Delivery Package**” means a package destined for an international destination for which Service Provider is managing the delivery logistics for Client.
- 1.4. “**Package**” means any domestic (United States) package bearing a valid delivery or return label that is managed through Service Provider’s network and specifically excludes any International Delivery Package.
- 1.5. “**Product**” means an item of Client’s (or, in the scenario where Client is not a merchant, of the party engaged by Client) merchandise purchased by a Client Customer.
- 1.6. “**Services**” for parcel delivery services means the services as set forth in Section 5 and for parcel returns services means the services as set forth in Section 6.
- 1.7. “**Transaction**” means the completion of any one of the tasks for which a fee may be charged.

### 2. Compliance.

- 2.1. Client represents and warrants that no Products delivered to Service Provider are counterfeit goods or goods that otherwise violate trademarks or other intellectual property rights held by third party owners of such trademarks or rights. Client shall immediately notify Service Provider with the pertinent facts if Client knows or should have known that it has furnished counterfeit goods to Service Provider. Client further represents and warrants that all Products transported in accordance with this Agreement do not, and will not, contain (i) hazardous materials such that hazardous shipping papers are required under CFR 49, ORM-D, DOT or other applicable laws, rules or regulations and will not contain, (ii) dangerous goods such that IATA Dangerous Goods Regulations would apply, or (iii) prescription drugs or other controlled substances or regulated goods.

### 3. Termination.

- 3.1. Service Provider may terminate the SOW immediately in the event: (i) If no Implementation Date has occurred within 60 calendar days of the Effective Date, or (ii) Client fails to pay Fees when due.
- 3.2. Upon expiration or termination of the SOW for any reason: (a) Service Provider will promptly return to Client upon prepayment of the fees specified in the SOW all Packages in its possession and control and (b) Client immediately will cease (and will instruct Client Customers to cease) submitting Packages to Service Provider. Client hereby authorizes Service Provider to destroy any Packages received by Service Provider after the termination date and Service Provider shall not be liable for any loss or damage to Packages arriving at a Service Provider facility after termination of the SOW.

### 4. Indemnification. Client shall indemnify, defend and hold harmless Service Provider and its affiliated and controlling entities, and the directors, employees, officers, agents, subcontractors, licensors and suppliers of each of them from and against all third party (including Client’s customers) liabilities, claims, suits, demands, actions, fines, damages, losses, costs and expenses (including reasonable attorneys’ fees) arising out of or in connection with: (i) the design, manufacture, packaging, marketing, use, storage, importation, customs clearance, transportation or sale of the Product or Client’s instructions regarding such Product; (ii) claims of infringement of a third-party’s intellectual property rights; (iii) arising out of or in connection with violations of laws, rules or regulations applicable to the Client or the Product and (iv) breach of Client representation and warranties in Section 2.1. Service Provider shall have no liability or indemnification obligation under the Agreement arising out of or in connection with the Product.

### 5. Delivery Services. If, in the SOW, Client has purchased Delivery Services, then the additional terms in this Section shall apply to Client’s use of Delivery Services.

- 5.1. “**Delivery Services**” shall mean the services described in this Section.
  - 5.1.1. To avail itself of the Delivery Services, Client must engage a third party to clear all items through customs and make Client Packages available to Service Provider preloaded onto pallets, gaylords, or within trailers, as mutually agreed by the parties. Each Package shall have a product

identifying barcode and a zip code. Client will provide Service Provider with an electronic bill of lading file listing each Package included within each shipment prior to releasing the shipment to Service Provider or its agent. All Packages must be less than 70 pounds. A pickup window will be provided by Client to Service Provider which will take possession (or cause its agent to take possession) of Packages at a facility designated by Client and agreed to by Service Provider. Service Provider will then transport the Packages to a facility identified by Service Provider where Services are performed (“**Processing Center**”) where they will be scanned, sorted, weighed, consolidated and prepared for further shipment. Consolidated shipments of Packages will then be manifested and delivered to the appropriate USPS facility. The USPS will provide the final leg of transportation for the Packages to addresses on the Package labels.

- 5.1.2. Following implementation, Service Provider will provide Client with downloadable data files via the internet on Package deliveries. If Client opts to incorporate such data into Client’s Information Systems, Service Provider and Client will mutually agree upon a method to achieve this integration during or subsequent to the implementation of the Services. In addition, Service Provider’s Systems utilize reporting technology that allows for the generation of standardized reports with output in Excel or HTML format via the Internet through a Service Provider-supplied web site. Service Provider will provide technical support for issues related to the Services to Client via a dedicated email address. For the term of the SOW, Service Provider will assign Client’s account to a specified account manager.

- 5.1.3. Service Provider may from time to time improve aspects of Service Provider’s Systems. Service Provider will provide Client with relevant technical details reasonably in advance of improvements that might impact communications between Service Provider’s Systems and Client’s Information Systems. Service Provider will be responsible for all changes, updates and/or maintenance of Service Provider’s Systems. Any professional services required to update Client’s Information Systems as a result of Service Provider’s changes and/or updates and maintenance of Service Provider’s

Systems will be Client's responsibility. Client agrees to create and maintain such modifications to Client's Information Systems as are necessary to produce labels that comply with the then current USPS requirements.

5.2. **Loss Claims. – Delivery Packages**

5.2.1. Loss Claims that are approved for payment will be credited by Service Provider against the then-current amount due from Client. Loss Claims will be processed as set forth in this Section. Service Provider may withhold Loss Claim payments if Client is not then in compliance with the payment terms.

5.2.2. Service Provider accepts liability for Packages once received at a Processing Center or by an agent designated by Service Provider until such time as released to the USPS or to Client or Client's agent. Receipt of packages at a Processing Center is entered and recorded through the scan of a label barcode and subsequent storage in the Service Provider System. In order to pursue a Loss Claim, Client must file a complete written Loss Claim Notice with Service Provider within one calendar month of the date that the Package was received at a Processing Center or the corresponding invoice was delivered to Client. Client waives any right to collect on a late-filed Loss Claim Notice. Upon receipt of a Loss Claim Notice, Service Provider will acknowledge and respond to Client within three business days. Service Provider will promptly investigate each Loss Claim. Within 10 business days after receipt of the Loss Claim Notice, Service Provider will pay, decline, settle or request additional information necessary to resolve each completed and properly filed Loss Claim Notice. Settled claims will be credited against Client's balance. At no point in the provision of Services will Service Provider be deemed to have taken "title" to the Packages or Products.

5.2.3. "Loss Claim" means a claim by Client related to a Package received by Service Provider or a Service Provider agent that is damaged or lost while in the control of Service Provider or its agent; "Loss Claim Notice" means a written notice from Client containing (a) written facts sufficient to identify the Loss Claim, which at a minimum should include the relevant Package ID Number, Invoice

Number, Claim Reason and Customer Zip Code, and (b) the Loss Claim Value; and "Loss Claim Value" means Client's actual Product cost for all Products contained in the Package that is the subject of the applicable Loss Claim (not to exceed \$100.00) per Package.

6. **Returns Service.** If, in the SOW, Client has purchased Returns Services, then the additional terms in this Section shall apply to Client's use of Returns Services.

6.1. "Returns Services" shall mean the services described in this Section.

6.1.1. To avail itself of the Returns Services, a Client Customer must drop off a Package to a Service Provider designated facility (which facilities may include, but are not limited to, offices, drop boxes, or mail boxes serviced by the USPS). Service Provider will take possession (or cause its agent to take possession) of Packages from the designated facility. Once received at a Processing Center, all Packages will be scanned, sorted, weighed, consolidated and prepared for shipment. Consolidated shipments of Packages will then be manifested and delivered to Client's designated destination.

6.1.2. Following implementation, Service Provider will provide Client with downloadable data files via the internet on Packages. These files include, but are not limited to advance notification files of Packages and billing detail files. If Client opts to incorporate such data into Client's Information Systems, Service Provider and Client will mutually agree upon a method to achieve this integration during or subsequent to the implementation of the Services. In addition, Service Provider's Systems utilize reporting technology that allows for the generation of standardized reports with output in Excel or HTML format via the Internet through a Service Provider-supplied web site. Service Provider will provide technical support for issues related to the Services to Client via a dedicated email address and will assign Client's account to a specified account manager.

6.1.3. Service Provider may from time to time improve aspects of Service Provider's Systems. Service Provider will provide Client with relevant technical details reasonably in advance of improvements that might impact communications between Service Provider's

Systems and Client's Information Systems. Service Provider will be responsible for all changes, updates and/or maintenance of Service Provider's Systems. Any professional services required to update Client's Information Systems as a result of Service Provider's changes and/or updates and maintenance of Service Provider's Systems will be Client's responsibility.

6.1.4. During the term the SOW, Client shall use Service Provider's return label as its sole USPS return label. Client will use reasonable commercial efforts to include a Service Provider label on the original order summary in the original shipping container for all Products sold in the 48 contiguous states of the United States. In addition, Client agrees to create and maintain such modifications to Client's Information Systems as are necessary to produce return labels that comply with the then current USPS requirements.

6.2. **Returns Center Services.**

6.2.1. Client may allow Client Customers and Client's customer services representatives, and subcontractors ("Returns Center Users") to utilize Service Provider's Customer Returns Center services for the following purposes: creating and tracking a return label online. Return labels may be printed on Returns Center Users' local printer or emailed to Returns Center Users for printing on a local printer. If Client chooses to enable the email delivery option, Service Provider will send an email with a link to a customized return label (which can be retrieved online through a Service Provider supplied web site) to each email address of Client Customer based on information provided by Client. Client Customer will be responsible for retrieving the email, accessing the customized return label online and printing the return label on a local printer.

6.2.2. The Returns Center Services may be utilized by accessing a Service Provider provided website (to be specified by Service Provider) and entering in the information required to complete the requested transaction. The amount and type of data will differ based on the type of transaction requested by the Returns Center User.

6.2.3. In addition, Client may utilize Service Provider's Returns Center Print & Mail services for the

purpose of remotely distributing return labels. If Client chooses to utilize the Returns Center Print & Mail service, Service Provider will print and mail a dynamic return label to Client Customers based on the information provided by Client. In conjunction with the Print & Mail Service, Service Provider shall provide a standardized label layout and stock to be utilized by Client. Service Provider will also provide associated printing and mailing preparation (including post card postage). Any deviation from the standard requested by Client will result in additional fees to Client.

6.3. **Loss Claims – Return Packages.**

- 6.3.1. Loss Claims that are approved for payment will be credited by Service Provider against the then-current amount due from Client. Service Provider may withhold Loss Claim payments if Client is not then in compliance with the payment terms.
- 6.3.2. Service Provider accepts liability for Packages once received at a Processing Center. Receipt of packages at a Processing Center is entered and

recorded through the scan of a label barcode and subsequent storage in the Service Provider System. In order to pursue a Loss Claim, Client must file a complete written Loss Claim Notice with Service Provider within one calendar month of the date that the Package was received at a Processing Center or the corresponding invoice was delivered to Client. Client waives any right to collect on a late-filed Loss Claim Notice. Upon receipt of a Loss Claim Notice, Service Provider will acknowledge and respond to Client within three business days. Service Provider will promptly investigate each Loss Claim. Within 10 business days after receipt of the Loss Claim Notice, Service Provider will pay, decline, settle or request additional information necessary to resolve each completed and properly filed Loss Claim Notice. Settled claims will be credited against Client's balance. At no point in the provision of Services will Service Provider be deemed to have taken "title" to the Packages or Products.

- 6.3.3. **"Loss Claim"** means a claim by Client related to a Package received by Service Provider or a Service Provider agent that is damaged or lost while in the control of Service Provider or its agent; **"Loss Claim Notice"** means a written notice from Client containing (a) written facts sufficient to identify the Loss Claim, which at a minimum should include the relevant Package ID Number, Invoice Number, Claim Reason and Customer Zip Code, and (b) the Loss Claim Value; and **"Loss Claim Value"** means Client's actual Product cost for all Products contained in the Package that is the subject of the applicable Loss Claim (not to exceed \$100.00) per Package.

-----End of Standard Terms and Conditions for Parcel Services-----