

IMPROVEMENTS[®]

...for your home, inside and out

To: Our new Drop Ship Vendor
Re: Drop Ship Procedures

At Improvements, the customer comes first. We work hard to provide the finest quality products and level of service that is second to none. As a valued partner, we're sure you share our philosophy and will work with us to meet that goal.

Improvements' requires all Drop Ship vendors to use our web-based system called Vendor Net (VN). This system will allow you to easily receive your orders, confirm that orders have shipped, automatically invoice and modify the estimated ship dates if needed to comply with FTC rules. Vendor Net is free and simple to use.

The next few pages include detailed information regarding vendor expectations, ship methods, returns processing and customer service contact information. Additionally, a checklist for Vendor Net and a vendor partnership agreement is included to complete and either e-mail or fax to the Improvements Catalog office to initiate the set-up process including VN training. To ensure we are FTC compliant, it is imperative that the drop ship vendor partnership agreement include the correct **estimated ship date** (ESD) and that date **must be** adhered to when shipping and confirming orders. Specific details regarding estimated ship date requirements and modifications are included in this document.

We look forward to working with you!

Best regards,

Karen Woodards
Drop Ship Coordinator
kwoodards@improvementscatalog.com
Phone: 216.662.6553 x 228
Fax: 216.662.7160 or 216.662.7136

Vendor Expectations

- Upon notification of customer orders in Vendor Net (VN), you must acknowledge orders and verify accuracy of estimated ship date (ESD).
- Prior to shipping, always check VN to verify any changes that may have occurred since acknowledgement (i.e. cancellation, address change, etc)
- Order is shipped via appropriate ship method (see below).
- Ship confirmation in VN must be completed within 24 hours of order leaving warehouse to update order system and A/P. You should have a tracking /PRO # to use when ship confirming once the carrier has possession of the shipment (do not ship confirm prior to the shipment being handed off to the carrier).
- If the order will not ship by the ESD, you must update Vendor Net with the new ESD to ensure FTC compliance and avoid automatic order cancellation. When a change to the ESD is needed, please make the modification 8 days prior to the original ESD. Information/Instructions regarding date modification can be found on our vendor website www.ccsqinc.com/Improvements.htm under “drop ship information”.
- Orders beyond original or modified ESD not fulfilled, are subject to cancellation. If they are shipped without verification in Vendor Net and the order has been cancelled, payment will be withheld.

Order Shipment Method

For non-freight orders:

Shipments to customers should be made via UPS. You must use the Improvements UPS account number; this allows us to track orders. Terms are third-party billing; do not ship consignee billing.

The account number is **096V9Y**. Additional information is available on the vendor website at www.ccsqinc.com/Improvements.htm in the “drop ship routing guide”. You will be responsible for filing claims and tracers for UPS lost or damaged freight as you are the shipper of record (just billing third party).

For truck and in-home deliveries:

We are now using Ceva Logistics for truck and in-home deliveries. For the first shipment, the vendor should contact our local Ceva customer service team. They can be reached at 1-859-578-2563. When calling the vendor just simply needs to state their company name and that they are registering their first drop shipment(s) for Improvements. The Ceva customer service team will direct the vendor to the website after the first shipment has been picked up and the web tool is activated. Please refer to the updated routing guide at www.ccsqinc.com/improvements.htm.

Please mark Bill of Ladings with the following:

“Prepaid Third Party and Residential Delivery Charge, Prepaid Third Party.

Bill to : Improvments, 8877 Union Centre Blvd., West Chester, Ohio 45069”.

Customer Order Questions/Cancellations

Please address any customer order-specific questions such as missing customer information, customer phone numbers, clarification on a customer order, etc. to the Improvements Customer Service drop ship group.

Call: 513.645.4060 or **Email:** Dropship@improvementscatalog.com

Please provide details of the order including the customer’s name, order number, reason for inquiry and your contact information. One of the representatives will respond within one business day.

If a customer requests cancellation of their order **prior to the ESD**, the drop ship department will contact the vendor to ensure the item hasn't shipped; the order will then be cancelled in Vendor Net by the Improvements Drop Ship Customer Service team and the customer will be notified. If the order was shipped, the customer will be instructed to refuse delivery and the item will be returned to the vendor for a credit.

If you have modified the ESD and the customer chooses not to wait and cancels their order, the drop ship department will communicate this information to you. However, if the vendor has missed shipping by the ESD or modified the original date and that date has passed, the order will be cancelled in VN by the Improvements Customer Service Drop Ship team and you will not be able to ship confirm or invoice; consequently, no payment will be made for the goods should they be shipped. Additionally, charge backs may be applied for not meeting the vendor commitment for fulfilling the order. 50% of the cost or \$50 (whichever is less) will be charged pending review by the Improvements drop ship coordinator. Vendors who change their ESD's more than once on an order will also be subject to the same charge back schedule.

Returns and Defective Merchandise

If an item you ship is defective or the wrong merchandise shipped, a debit will be issued to offset the Vendor Net invoicing. Original and return shipping charges will also be deducted.

Please note, if an order is defective or wrong item is sent, and the customer returns it directly to you, do not send out a replacement order on your own. Please notify the Drop Ship Customer Service Dept. (513.645.4060 or dropship@improvementscatalog.com). If the customer requests a replacement, a new order will be placed and resent to you via Vendor Net.

1. All defective merchandise will be returned to the vendor's return address. A debit will be issued by Improvements for the cost of the item along with shipping charges both ways.
2. As mentioned above, all wrong items shipped will be returned to the vendor and a debit issued for product cost and shipping both ways.
3. If the customer decides they don't like the item, it will be returned to your warehouse and a debit issued for the product cost.
4. If a customer refuses an item with the freight company, or UPS returns a delivery to you, a debit will be issued for the cost of the item minus a 15% restocking fee.

All Other Questions/ Issues/ Correspondence

Please direct all stock, back order delays, item forecasts or order processing questions to my attention.

Karen Woodards, Drop Ship Coordinator
Phone: (216) 662.6553 Ext.228
Fax: (216) 662.7160 or (216) 662.7136
Email: kwoodards@improvementscatalog.com

Questions related to use of VN including modification of ESD's should be directed to me as well as inquiries concerning payment amounts or invoices.

Questions about check issuance can be directed to Accounts Payable at Improvements-AP@cornerstonebrands.com or call 877.333.1049. Please include vendor name, PO or invoice number and reason for inquiry.

Please share this information with others in your organization who will be involved with drop ship and vendor net procedures.

Thank you for your time in reviewing the enclosed information; we look forward to a very productive business relationship with your company!

Please complete and sign the attached Drop Ship Partnership Agreement and complete the Vendor Net set-up checklist. E-mail or Fax both within 3 business days to my attention.

DROP SHIP VENDOR PARTNERSHIP AGREEMENT

Please complete all information:

Company Name _____

Address _____

City _____ State ____ Zip _____

Phone _____ Fax _____

Company Email _____

Company Representative _____

Phone _____ E-address _____ 2ND E-address _____

Item # Lead days for order fulfillment (**Estimated Ship Date**) business days

Negotiated drop ship fee*: \$ _____ per item, per order (please circle which applies)

* (amount agreed upon with buyer)

Do you ship international?

Please provide address for customer returns if different than the above address.

Please acknowledge your understanding of the information included regarding drop ship procedures and obligations by signing below and returning this form.

Print Name:

Signature: _____ Date: _____

Vendor Net Setup Checklist for Improvements

Please check all that apply:

☐ **Drop Ship Vendor (ship direct to retail customer)**

1. To access your orders via Improvements' Vendor Net website, you'll need a PC with Internet access and the Minimum PC Requirements listed below.

- Pentium 150 or higher
- 16 MB memory
- 100 MB disc
- Windows 98 or higher
- Internet Explorer 5.0 or higher
- Microsoft WORD 2000 or higher (Versions of Word below 2000 will not work)
- E-mail Account

☐ **Please check here if all minimum requirements are met.**

2. Your computer will need access to a printer in order to print new orders. The printer will need to be in place prior to training. If you are a Stock Purchase Order Vendor you may have a specific printer other than your regular printer for printing UCC-128 labels. If so, please note that and the type of printer under the printer check off.

☐ **Please check here if the computer has access to a working printer.**

Standard 8.5 x 11.5 ☐ **or Thermal Printer** ☐

3. Are you set up on Vendor Net with any of the other Cornerstone brands?

Frontgate /Grandin Road ☐ **Ballard Designs** ☐ **TravelSmith** ☐ **Territory Ahead** ☐ **Garnet Hill** ☐

4. You will need to assign yourself a user name, i.e. ABC Distributor (up to 16 characters) and a password (up to 16 characters) to access the Improvements Vendor Net website.

User Name:

User Password:

5. You will need to provide at least one email address at your company to receive inbound order notifications from the Improvements Vendor Net website.

Email Addresses:

1.

2.

6. Please provide your information below:

Vendor Name:

Contact Name:

Phone:

Email:

Internal Use Only

Drop Ship Fee: per item,
per package

VN:

Please complete this form and send it to Karen Woodards, the Drop Ship Coordinator for Improvements.

kwoodards@improvementscatalog.com

Fax: (216) 662.7160 or (216) 662.7136

IMPROVEMENTS[®]

Terms and Conditions for Purchase Orders

UPDATE 8/22/2011

TERMS AND CONDITIONS FOR PURCHASE ORDERS

ALL PURCHASE ORDERS ISSUED BY HSN IMPROVEMENTS, LLC ("IMPROVEMENTS") TO THE UNDERSIGNED SELLER ("YOU," "YOUR") ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS ("T&Cs"):

- 1. Description of Products; QA Procedures.** All products purchased from You by IMPROVEMENTS ("Products") pursuant to a purchase order ("PO") will conform to the samples and other descriptions provided to IMPROVEMENTS. You will comply with all of IMPROVEMENTS' quality assurance and fulfillment policies, standards, and procedures, including those contained in IMPROVEMENTS' most current Vendor Compliance Manual ("VCM"). Any costs or expenses You incur as a result of commencing production of Products prior to obtaining the written approval of IMPROVEMENTS' quality assurance department of requisite sample(s) of the Products, or as a result of Your efforts to satisfy IMPROVEMENTS' procedures, standards or requirements, are Your sole responsibility. In addition to Your submission of QA samples, any other samples that You provide to IMPROVEMENTS, including any "Buyer" samples, will become the property of IMPROVEMENTS and will not be returned to You.
- 2. Shipment; Delivery.** Time is of the essence with regard to the shipment of Products. Unless otherwise mutually agreed in advance in writing, You will ship the Products to IMPROVEMENTS not later than the shipping date set forth on the applicable PO. The Products will be shipped in accordance with the PO (or if no instructions in the PO, the Products are to be packaged, shipped and routed in accordance with the VCM), unless otherwise authorized by IMPROVEMENTS. You will indicate IMPROVEMENTS' PO number on all invoices, packages and other communications with IMPROVEMENTS. You will immediately notify IMPROVEMENTS if You are unable to ship all or any portion of the Products by the ship date specified in the PO or as otherwise authorized by IMPROVEMENTS. Any POs that are not delivered by the ship date specified on the PO and for which IMPROVEMENTS has not authorized any other ship date may be canceled by IMPROVEMENTS and/or penalties and chargebacks may result as set forth in the VCM. If Your acts or omissions result in Your failure to meet IMPROVEMENTS' delivery schedules and requirements and IMPROVEMENTS requires a more expeditious method of transportation for the Products than the transportation method originally specified by IMPROVEMENTS, You shall, at IMPROVEMENTS' option, (a) promptly reimburse IMPROVEMENTS the difference in cost between the more expeditious method and the original method, (b) allow IMPROVEMENTS to reduce its payment of Your invoices by such differences, or (c) ship the Products as expeditiously as possible at Your expense and invoice IMPROVEMENTS for the amount which IMPROVEMENTS would have paid for normal shipment. Unless otherwise specified on the PO, all "Domestic Products" (e.g., Products purchased by IMPROVEMENTS which are picked up by IMPROVEMENTS' carrier within the continental United States) shall be delivered on a FOB IMPROVEMENTS' Place of Destination/Warehouse, Freight Collect basis. Notwithstanding such delivery, title and risk of loss or damage to Domestic Products will not pass to IMPROVEMENTS until the Products are received at IMPROVEMENTS' distribution center or place of business. Unless otherwise specified on the PO, all "International Products" (e.g., Products purchased by IMPROVEMENTS which are picked up by IMPROVEMENTS' steamship/ocean carrier at an origin port outside the United States) shall be delivered on a FOB Origin, or as otherwise specified on the PO. Title and risk of loss and damage to International Products will pass to IMPROVEMENTS in accordance with the freight terms on the applicable PO. You will provide IMPROVEMENTS, at Your expense, all assistance and documentation requested by IMPROVEMENTS for clearing the International Products through applicable customs agencies throughout the world.
- 3. Inspection and Acceptance.** IMPROVEMENTS or IMPROVEMENTS' authorized agent shall have the right to enter Your production facilities at reasonable times to inspect the facilities, goods, materials and any property of IMPROVEMENTS covered by this PO. IMPROVEMENTS' inspection, whether during manufacture or storage, prior to shipment or after delivery, shall not constitute acceptance. Notwithstanding any prior inspection or payments, all Products will be subject to final inspection and acceptance or rejection at IMPROVEMENTS' distribution center or place of business within a reasonable time after delivery. IMPROVEMENTS may reject any damaged, defective or non-conforming Products, or Products which otherwise do not conform to approved samples and specifications for color, style, fit, packaging, labeling, materials, design, and construction. Products that are damaged, defective, or non-conforming may be returned and charged back to You. Additionally, IMPROVEMENTS may choose, at Your risk and expense, to either hold such damaged, defective, or non-conforming Products pending Your instruction or return ship them to You, at Your risk and expense, at the address shown on the applicable PO.
- 4. Payment.** Payment will be made in accordance with the terms shown on the face of the PO, based on the actual Products received. IMPROVEMENTS reserves the right to hold payment on those Products shipped early without preauthorization and in such case the payment terms as stated on the PO will still apply. All invoices will clearly reference the shipment date, PO number, and any applicable Product number(s). If You instruct IMPROVEMENTS to pay a third party, You will remain obligated to IMPROVEMENTS under this "Agreement" (as defined in Paragraph 13, below). You will immediately pay any debit balance owed to IMPROVEMENTS if IMPROVEMENTS demands payment, or if such debit balance is outstanding for more than forty-five (45) days from the date of the occurrence giving rise to the debit balance. All of Your monetary claims are subject to set off by IMPROVEMENTS for any claim or counterclaim of IMPROVEMENTS. As reasonably requested from time to time, You will provide IMPROVEMENTS with a statement showing any amounts due to or owed by IMPROVEMENTS.
- 5. Returns.** IMPROVEMENTS will have the right for any reason and at any time, in its sole discretion, to return all or any portion of the Products to You. IMPROVEMENTS' resale of any Product will not constitute a bar or waiver of IMPROVEMENTS' right to return Products under this Paragraph 5. Title and risk of loss to any Products to be returned to You pursuant to this Paragraph 5 will pass to You upon IMPROVEMENTS' delivery of the Products to a common carrier for return to You. IMPROVEMENTS will pay all freight charges incidental to the return of any Products returned under this Paragraph 5 to Your place of business or point of shipment (unless such Products are damaged, defective, or non-conforming, in which case You will be responsible for applicable freight charges). You will fully and immediately refund to IMPROVEMENTS any and all payments made for Products returned by IMPROVEMENTS to You under this Paragraph 5. You shall reimburse IMPROVEMENTS for all administrative expenses and lost profits associated with back orders or order cancellations due to rejection of Product, late delivery or delivery of insufficient

expenses and lost profits associated with back orders or order cancellations due to rejection of Product, late delivery or delivery of insufficient quantities. If You do not authorize the return of Product, within ten (10) days after IMPROVEMENTS gives notice of its intent to return the Product, IMPROVEMENTS may return such Product without authorization. If You do not authorize the return of Product within such ten (10) day period, or refuse to accept any returned Product, IMPROVEMENTS may dispose of such Product in any manner and deduct from the proceeds thereof all losses, damages, claims, costs and expenses incurred by IMPROVEMENTS in connection with such Product. In addition, IMPROVEMENTS retains its right to pursue all other remedies available to it under the law or in equity. You shall not sell or otherwise transfer any returned Product, seconds or overruns which bear IMPROVEMENTS private labels, trademarks, service marks, trade names, logos, designs, hang tags or packaging to third parties unless all such IMPROVEMENTS indicia have been completely removed or obliterated from each and every article of Product and packaging and then in the context of such disposition no reference shall be made to IMPROVEMENTS and such disposition shall not occur in a market where IMPROVEMENTS competes. You acknowledge that IMPROVEMENTS does not inspect each item of Product at receipt of merchandise and therefore You understand that damages or imperfections or failure to meet specifications (including, but not limited to, compliance with any and all laws and governmental regulations), may not be discovered by IMPROVEMENTS until after they are purchased by the ultimate customer and returned by IMPROVEMENTS after customer uses or closely examines their purchase. Authorization is expressly granted by IMPROVEMENTS to allow such returns, in the sole opinion of IMPROVEMENTS at any time, to be made for credit (or cash if IMPROVEMENTS is not currently doing business with You). Request by IMPROVEMENTS for return authorization shall not be denied by You.

6. Representations and Warranties. You represent and warrant to IMPROVEMENTS that: (i) all information You provide to IMPROVEMENTS is and will be true and correct; (ii) Your entering into these T&Cs and the performance of Your obligations hereunder will not conflict with or be prohibited or restricted by any agreements or commitments with third parties; (iii) title to Products delivered to IMPROVEMENTS will be free of all liens, claims, debts, and rights of third parties; (iv) the Products are and will be genuine and not adulterated, misbranded, or mislabeled; (v) the Products will not infringe upon any "Intangible Rights" (as defined below), and You are the owner of, or are licensed to authorize IMPROVEMENTS to use, any and all Intangible Rights associated with the Products; (vi) the Products (and all components of the Products) will not be subject to any import quota, restriction, rule or regulation preventing the importation or sale of the Products or any component thereof; (vii) the Products will be new and not used, remanufactured, or reconditioned (unless otherwise mutually agreed upon), of consistent kind and quality, and free from all defects in material and workmanship; (viii) the Products will be safe and appropriate for the purpose for which products of that kind are normally used; (ix) all manufacturers' warranties are completely transferable, effective, and enforceable by the ultimate consumer (additionally, all Product warranty information and instructions will be written in the English language); (x) the Products and all materials provided to IMPROVEMENTS in connection with the marketing, promotion, distribution, and sale of such Products, including, without limitation, packaging, labeling, and advertising materials for such Products, have been produced in compliance with all applicable federal, state and local laws, regulations, rules, guidelines, ordinances and standards ("Legal Requirements"), including, without limitation, laws relating to discrimination, coercion, harassment, health and safety, compensation, the environment, and use of child labor, in all locations throughout the "Territory" (as defined below) where the Products may be sold, and neither the Products nor their purchase or sale by IMPROVEMENTS will violate any such Legal Requirements; (xi) the genuine origin of the Products will be stated on the Country of Origin Declaration, Invoice, Visa and other importation documents, and no shipment will be illegally transshipped from any other country; (xii) the Products have been manufactured in compliance with IMPROVEMENTS' Code of Conduct for Manufacturers attached hereto as "Exhibit A" and incorporated herein by reference and (xiii) except as disclosed to IMPROVEMENTS in writing, the Products have not been subject to any products liability claims. The term "Intangible Rights" means any United States or foreign patents or copyrights or any United States, foreign, state or common law trademark, trade dress, trade name, service mark, publicity or privacy right or similar property or other right. You represent, warrant, and agree that the Products may be re-sold by IMPROVEMENTS and its affiliates in any location in which IMPROVEMENTS and/or its affiliates market, sell, or distribute Products and/or services (the "Territory"). These representations and warranties are in addition to and without prejudice to all other warranties expressed or implied by law. IMPROVEMENTS has specifically relied upon all of Your representations and warranties contained in these T&Cs, and IMPROVEMENTS will continue such reliance in purchasing Products from You as if such representations and warranties were made on the date of purchase of such Products. All of Your representations and warranties, both express and implied, will constitute conditions of sale, and will survive receipt, inspection, testing, acceptance, payment and use of the Products. You will fulfill Your warranty and other obligations to end use consumers and will be responsible for any product liability claims that arise from Products that You have supplied to customers.

7. Indemnity. You will assume full responsibility and will provide independent legal counsel reasonably acceptable to IMPROVEMENTS for the defense of any claims, threatened actions, filed actions, suits, investigations or proceedings ("Claims") that may be brought against IMPROVEMENTS or its affiliates, officers, employees, agents or assignees by reason or as a result of or relating to: (i) any actual or alleged violation or breach by You of any of Your representations, warranties, covenants, or other obligations set forth in these T&Cs or in the VCM; (ii) any actual or alleged infringement of any Intangible Rights or any actual or alleged unfair competition; (iii) any claim, representation or statement made in connection with advertising or promoting the sale of the Products by any of Your employees or agents or by any celebrity or other person provided or made available by You who is not an employee of IMPROVEMENTS, or, to the extent consistent with or substantially based on information or materials provided by You, any claim, representation or statement made in connection with advertising or promoting the sale of the Products by any person whatsoever; (iv) any actual or alleged death of or injury to any person, damage to any property, or any other damage or loss, by whomsoever suffered, resulting or claimed to result in whole or in part from any actual or alleged defect in the Products, whether latent or patent, or the failure of such Products to comply with any express or implied warranties; and/or (v) any actual or alleged violation by the Products or their manufacture, possession, use or sale, of any law, statute or ordinance or any governmental order, rule or regulation. You will indemnify, defend and hold IMPROVEMENTS and its affiliates, officers, employees, agents and assignees harmless from and against any and all liabilities, injuries, damages, settlements, royalties, penalties, fines and other losses of every kind and nature whatsoever, including without limitation all attorney fees and other costs and expenses, incurred by or imposed upon them as a result of or in connection with any such Claims, or as a result of or in connection with

any recalls of Products, whether voluntary or involuntary, or any actions taken to comply with all laws, regulations, rules, guidelines, ordinances and standards governing the safety, labeling, advertising or invoicing of Products, or any actual or alleged failure to comply with any bulk sales law or similar law for the protection of creditors. No settlement of any such Claims may be made without IMPROVEMENTS' prior written consent to the terms of settlement. IMPROVEMENTS will have the right to participate in the defense of any such Claim at its own expense. If IMPROVEMENTS notifies You of a Claim to which the foregoing indemnification obligation applies ("Claim Notice"), You shall provide prompt assurance of Your ability and intent to indemnify IMPROVEMENTS, to IMPROVEMENTS' reasonable satisfaction, and You shall commence to defend such Claim, at Your sole cost and expense, within five (5) days of said Claim Notice. If You fail to provide such assurance or fail to commence such defense within said five (5) day period, in addition to the other rights and remedies available to IMPROVEMENTS at law or in equity, IMPROVEMENTS may, at its option, assume the defense or settlement of such Claim in its own name, and all recoveries from such Claim shall belong to IMPROVEMENTS, and all fees and costs (including reasonable attorney fees) in defending such Claim, and all damages or settlement costs arising therefrom, shall be Your sole responsibility.

8. Confidentiality. You will not advertise or publish the fact that IMPROVEMENTS has contracted to purchase Products from You, and will not disclose any information relating to these T&Cs to any third party. You will treat all information furnished by IMPROVEMENTS, its parent, subsidiary, and affiliated companies as confidential, property of IMPROVEMENTS and will not disclose any such information to any third party, or use such information for any purpose other than performing Your obligations under these T&Cs, except that You may disclose such information solely: (i) to Your employees, accountants, independent contractors, agents, and attorneys on a need-to-know basis, provided the recipient of such information has executed appropriate written agreements to ensure the confidentiality of such information consistent with these T&Cs; and (ii) under the terms of a subpoena or order issued by a court of competent jurisdiction or under a civil investigative demand or similar process, provided You agree (a) to promptly notify IMPROVEMENTS of the existence, terms, and circumstances surrounding such a request, and (b) if You are, in the opinion of Your counsel, compelled to disclose a portion of such information, You disclose only that portion of the information that Your counsel advises that You are compelled to disclose, and will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to such information. You will treat all information obtained from customers as confidential and will not disclose any such information to any third party, or use such information itself for any purpose other than performing Your obligations to IMPROVEMENTS. Specifically, but without limitation, You will not use any information obtained from IMPROVEMENTS or IMPROVEMENTS' customers to offer for sale to such customers any Products or services. You will not issue any press or publicity release or statement relating to IMPROVEMENTS, any of its affiliates or operations, or these T&Cs without the prior written approval of IMPROVEMENTS. You acknowledge and agree that any communication between counsel for You and IMPROVEMENTS, or between You or IMPROVEMENTS or any of their principals, employees, contractors or representatives, and Your counsel or IMPROVEMENTS is protected by all applicable privileges, including without limitation the attorney-client, work product and joint defense privileges. You will not waive any such privilege without the express written consent of IMPROVEMENTS.

9. Standards of Conduct; Taxes; Customs.

a. You will comply with all standards of conduct published and made available to You from time to time by IMPROVEMENTS and will promptly disclose in writing to IMPROVEMENTS any conflicts of interest or any circumstances that are inconsistent with or constitute a violation of the terms or spirit of such standards. Furthermore, You acknowledge and agree that there is a common interest between You and IMPROVEMENTS in advertising claims relating to the Products, and in ensuring that all such claims are in compliance with all laws, government rules, and regulations regarding deceptive advertising and substantiation of advertising claims. Without IMPROVEMENTS' prior written approval, You will not include Your address, telephone number, web site address, or other contact information in any packaging or labeling of the Products for the purpose of marketing or promoting any Products or services, other than customer or technical assistance services.

b. Any present or future sales, use, privilege, occupation, excise, value-added or other tax, fees or charges of any nature whatsoever imposed by any governmental authority on the transaction set forth in this PO shall be paid by You. No such taxes, charges, fees, etc. shall be paid by You on behalf of IMPROVEMENTS without IMPROVEMENTS' prior written consent. In the event that IMPROVEMENTS is required to pay any such taxes, fees or charges, You shall reimburse IMPROVEMENTS therefore.

10. Most Favored Nations; Exclusivity; Non-Compete; Non-Solicitation.

a. All of the prices, terms or benefits granted by You for any Products purchased by IMPROVEMENTS under this Agreement are equal or better than the prices, terms or benefits being offered by You to any present commercial customer for the same or comparable product ordered in the same or comparable quantities. If during the term of this Agreement You enter into an arrangement with any other company for the same or comparable product ordered in the same or comparable quantities providing greater benefits of more favorable pricing or terms, You shall promptly notify IMPROVEMENTS in writing and then with respect to any open PO through date of delivery and any subsequent PO issued by IMPROVEMENTS and accepted by You shall, at IMPROVEMENTS' option, automatically be deemed amended to provide the same benefits or pricing to IMPROVEMENTS.

b. Any Products developed for IMPROVEMENTS by You under this Agreement will be made exclusively for IMPROVEMENTS for a minimum of one (1) year so long as the Product is not otherwise available in the U.S. marketplace. Notwithstanding anything contained in the Agreement to the contrary, all product designs, design process, artwork and all other proprietary information of IMPROVEMENTS furnished to You by IMPROVEMENTS must be used exclusively for Products supplied to IMPROVEMENTS and to no third party and You acquire no rights, title or interest in the foregoing.

c. You agree that for a period of six (6) months after Your sale of Products to IMPROVEMENTS, You will not, directly or indirectly, sell substantially similar Products by means of a direct mail catalog, or its associated website(s), other than IMPROVEMENTS.

d. For a period of one (1) year after each PO issued by IMPROVEMENTS to You, You will not solicit for employment (other than a general, publicly disseminated solicitation for employment) or offer to employ any employee of IMPROVEMENTS.

11. Insurance. You have and will keep in effect for five (5) years from the date of Your receipt of the first PO issued by IMPROVEMENTS, full general/products liability insurance coverage in amounts not less than those required by Your "Insurance Class," as determined by IMPROVEMENTS' risk management department ("IMPROVEMENTS Risk Management"). In addition if: 1) You are offering any services; 2) You have had any product recalled; 3) IMPROVEMENTS determines, in its reasonable discretion, that the Products are subject to a license or are otherwise specifically warranted by an Your individual circumstances, including, but not limited to, prior losses or claims history, whether with IMPROVEMENTS or otherwise, You will also be required to provide \$2,000,000 Errors & Omissions (or its equivalent) per occurrence and in the aggregate. All insurance required by IMPROVEMENTS Risk Management must: (i) be maintained with an Insurance Company rated by A. M. Best as "A" or better; (ii) name IMPROVEMENTS, its direct and indirect parents, subsidiaries, affiliates, and assigns as Additional Insured; and (iii) be submitted with a copy of Your Broad Form Endorsement or the complete policy (or policies), in the English language. You must also provide the name of a specific person (including mailing address, phone and fax numbers, and email address) who is in charge of responding to complaints, claims, and/or lawsuits. All of these Insurance Requirements must be demonstrated by submission of one or more Certificates of Insurance sent to the attention of Elizabeth Arenas Sourcing Manager, earenas@improvementscatalog.com Sourcing Department at 16501 Rockside Road Maple Heights, OH 44137 promptly following Your execution of these T&Cs, and no less frequently than annually thereafter upon the anniversary date of the applicable policy. These Insurance Requirements may be satisfied through a combination of primary, umbrella, or excess liability insurance policies. IMPROVEMENTS Risk Management may, at its sole discretion, change the coverage limits and/or types of coverage required at any time.

12. Relationship of Parties. It is expressly acknowledged by the parties hereto that Your relationship to IMPROVEMENTS under this Agreement is that of an independent contractor and nothing in this Agreement is intended or shall be construed to create an employer/employee relationship, or a joint venture relationship. You understand and agree that IMPROVEMENTS will not withhold on behalf of You pursuant to this Agreement any sums for income tax, unemployment insurance, social security, or any other withholding pursuant to any law or requirement of any governmental body relating to You or make available to You any of the benefits afforded to IMPROVEMENTS' employees and that all such payments, withholding, and benefits, if any, are Your sole responsibility.

13. Entire Agreement; Amendment; Assignment. These T&Cs and any other documents referred to herein constitute the entire agreement (collectively, the "Agreement") between You and IMPROVEMENTS. This Agreement will be effective for all Products. You accept and agree to be bound by the Agreement by shipping Products. This Agreement sets forth the entire understanding and agreement of the parties with respect to the matter covered herein, superseding all prior and contemporaneous understandings and agreements, whether oral or written. This Agreement may not be modified or amended except by a written instrument executed by both parties, and each shipment received by customers will be deemed to be only upon the terms and conditions contained in this Agreement, notwithstanding any terms and conditions that may be contained in any of Your acknowledgements, invoices or other forms and notwithstanding IMPROVEMENTS' or its customers' act of accepting or paying for any shipment or similar act of IMPROVEMENTS or its customers. IMPROVEMENTS has the right to assign this Agreement, or all or any portion(s) of its rights and/or obligations hereunder, including, without limitation, the right to purchase, market and sell the Products, to any company directly or indirectly controlling, controlled by, or under common control with IMPROVEMENTS, and this Agreement shall inure to the benefit of any such assigns. You may not assign any rights, obligations, and/or or claims under this Agreement without IMPROVEMENTS' prior written consent, and any attempted assignment without consent will be void.

14. Governing Law; Jurisdiction. This Agreement, and the legal relationship between You and IMPROVEMENTS will be governed by Ohio law, without regard to conflicts of law principles and without reference to the United Nations Convention on Contracts for the International Sale of Goods. Any legal action or proceeding with respect to this Agreement may be brought only in the courts of the United States District Court for the Southern District of Ohio and the Court of Common Pleas located in Butler County, OH and each party hereby accepts the jurisdiction of such courts. You hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which You may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions. If any litigation is commenced to enforce any provision of this Agreement or to seek a declaration of the rights of the parties hereunder or as a result of any breach or threatened breach of any provision of this Agreement, the prevailing party will be entitled to recover from the non-prevailing party all of its costs and expenses incurred in connection with such litigation, including without limitation reasonable attorneys' fees, at both the trial and appellate levels.

15. Notice. All notices or other communications required or permitted under this Agreement must be in writing, addressed to the address written below or to such other address for a party set forth in a notice given to the other party, sent to the intended recipient by prepaid registered mail, receipted commercial courier, or electronically receipted facsimile transmission, and will be effective upon delivery to the intended recipient. All communications to IMPROVEMENTS shall be sent to the attention of Elizabeth Arenas Sourcing Manager, earenas@improvementscatalog.com Sourcing Department at 16501 Rockside Road, Maple Heights, Ohio 44137

16. Termination. Either party may prospectively terminate the Agreement by giving the other party written notice of termination, which notice specifies an effective date of termination that is not less than thirty (30) days after notice is actually received by the non-terminating party (unless otherwise agreed to in writing by the parties), in which event this Agreement will terminate as to all Products not ordered prior to such effective date. After the effective date of such termination, all Paragraphs hereunder concerning the parties' rights and obligations which by the content of the Paragraph operate after termination (e.g., Your returns obligations) or which are necessary to enforce any right will survive any termination or expiration of this Agreement.

17. Force Majeure. Neither party shall be responsible for failure or delay of performance if caused by: an act of war, hostility, or sabotage; act of God; flood, hurricane, or other natural disaster; electrical, internet, software, telecommunication, or other systemic outage that is not caused by the obligated party; government restrictions; or other unforeseeable event outside the reasonable control of the obligated party (collectively, "Force Majeure Event"). Both parties will use reasonable efforts to mitigate the effect of a Force Majeure Event. Only if such event continues for more than forty-five (45) days, either party may cancel a PO or any other unperformed services upon written notice to the other. This Paragraph does not excuse either party's obligation to take reasonable steps to follow its normal disaster recovery procedures.

18. Miscellaneous. Each party acknowledges and agrees that any failure on the part of the other party to enforce at any time, or for any period of time, any of the provisions of this Agreement will not be deemed or construed to be a waiver of such provisions or of the right of said party to thereafter enforce each and every such provision. The headings and sub-headings used in this Agreement are for convenience only and are not a part of this Agreement. If any provision of this Agreement is declared null, void or otherwise unenforceable, such provision will be deemed to have been severed from this Agreement, which will otherwise be and remain in full force and effect according to its remaining terms; provided, however, that both parties shall negotiate in good faith with respect to an equitable modification of the paragraph, subparagraph or provision held to be invalid and provisions logically related thereto. Any specific right or remedy provided in this Agreement will not be exclusive but will be cumulative upon all other rights and remedies set forth herein and allowed or allowable under law. All Paragraphs hereunder concerning the parties' rights and obligations which by the content of the Paragraph operate after termination (e.g., returns obligations) or which are necessary to enforce any right will survive any termination or expiration of this Agreement.

EXHIBIT A

IMPROVEMENTS Code of Conduct for Manufacturers

At IMPROVEMENTS, we are committed to:

- a high standard of excellence in every aspect of our business and in every corner of the world;
- ethical and responsible conduct in all of our business dealings and operations;
- respect for the rights of all individuals; and
- respect for the environment.

We expect the same commitments to be shared by all manufacturers of merchandise supplied to IMPROVEMENTS (“Manufacturers”). *At a minimum*, we require that all Manufacturers meet the following standards:

General

Manufacturers must comply with all applicable laws and regulations, including, but not limited to, those related to employment/labor, worker health and safety, and the environment.

All references to “applicable laws and regulations” in this Code of Conduct include local and national codes, rules, and regulations as well as applicable treaties and voluntary industry standards.

Child Labor

Manufacturers will not use child labor.

The term “child” refers to a person younger than 15 (or 14 where local law allows) or, if higher, the local legal minimum age for employment or the age for completing compulsory education.

Manufacturers employing young persons who do not fall within the definition of “children” will comply with any laws and regulations applicable to such persons.

Involuntary Labor

Manufacturers will not use any forced or involuntary labor, whether prison, bonded, indentured, or otherwise.

Coercion and Harassment

Manufacturers will treat each worker with dignity and respect and will not use or tolerate corporal punishment, threats of violence, or other forms of physical, sexual, psychological, or verbal harassment or abuse.

Nondiscrimination

Manufacturers will not discriminate in hiring or employment practices, including salary, benefits, advancement, discipline, termination, or retirement on the basis of race, color, national origin/heritage, religion, age, nationality, social or ethnic origin, maternity, sexual orientation, gender, political opinion, or disability. Manufacturers will not retaliate against workers who complain in good faith about what they believe to be discrimination.

Association

Manufacturers will respect the rights of workers to associate, organize, and bargain collectively in a lawful and peaceful manner, without penalty or interference.

Health and Safety

Manufacturers will provide workers with a safe and healthy workplace in compliance with all applicable laws and regulations.

Manufacturers will also ensure that the same standards of health and safety are applied in any housing they provide for workers.

Compensation

Wages are essential to meeting workers' basic needs. Manufacturers will, at a minimum, comply with all applicable wage and hour laws and regulations, including those relating to minimum wages, overtime, maximum hours, piece rates, and other elements of compensation, and provide legally mandated benefits. Manufacturers must pay at least minimum wages required by law or wages consistent with local industry standards, whichever is greater. If local laws do not provide for overtime pay, Manufacturers will pay at least regular wages for overtime work. Except in extraordinary business circumstances, Manufacturers will not require workers to work more than the lesser of (a) 48 hours per week and 12 hours per week overtime, or (b) the limits on regular and overtime allowed by local law; where local law does not limit the hours of work, the regular work week in the country plus 12 hours overtime. In addition, except in extraordinary business circumstances, workers will be entitled to at least one day off in every seven-day period. Manufacturers must pay all vacation, holiday, and paid time off as required by applicable laws and regulations.

Protection of the Environment Manufacturers will comply with all applicable environmental laws and regulations.

Other Laws Manufacturers will comply with all other applicable laws and regulations, including those pertaining to the sourcing of components or raw materials, manufacture, pricing, sale, and distribution of merchandise.

Subcontracting Manufacturers will not use subcontractors for the manufacture of merchandise supplied to IMPROVEMENTS or components thereof without IMPROVEMENTS' express written consent. IMPROVEMENTS may require, as one of the conditions of approval, that the subcontractor enter into a written commitment with IMPROVEMENTS and comply with this Code of Conduct.

Monitoring and Compliance Manufacturers will authorize IMPROVEMENTS and its designated agents (including third parties) to engage in monitoring activities to verify compliance with this Code of Conduct, including unannounced on-site inspections of manufacturing facilities and employer provided housing; reviews of books and records relating to employment/labor matters; and private interviews with workers. Manufacturers will maintain on site all documentation that may be needed to verify compliance with this Code of Conduct.

Publication Manufacturers will take appropriate steps to ensure that the provisions of this Code of Conduct are communicated to workers, including the prominent posting of a copy of this Code of Conduct, in the local language and in a place readily accessible to workers, at all times.

The IMPROVEMENTS Code of Conduct for Manufacturers is not a contract and does not create any contractual rights for IMPROVEMENTS employees, Manufacturers, or third parties.

CONTACT INFORMATION

To assist you in directing your questions to the proper person or department, listed below is contact information.

Drop Ship Coordinator

Karen Woodards

Ph: (216) 662-6553 Ext.228

Fax: (216) 662-7160 or (216) 662-7136

kwoodards@improvementscatalog.com

Vendor Compliance Specialist

Lynne Parent

Ph: (216) 662-6553 X.222

lparent@improvementscatalog.com

Vendor Net/ EDI questions/help

Ph: (513) 603-1271

vtg@cornerstonebrands.com

Accounts Payable

improvements-ap@cornerstonebrands.com

Toll Free: 1-877-333-1049

Domestic & International Routing Guides

<http://www.ccsinc.com/improvements.htm>

Inventory Planners

Chuck Hohmann- Director of Inventory Control

Ph: 216-662-6553 X 224

chohmann@improvementscatalog.com

Angela Grilli- Direct Import Inventory Planner

Ph: 216-662-6553 X 232

agrilli@improvementscatalog.com

Tricia Babischkin- Inventory Planner

Ph: 216-662-6553 X 218

pbabischkin@improvementscatalog.com

Ruth Hill- Domestic Inventory Planner

Ph: 216-662-6553 X 223

rhill@improvementscatalog.com

Sourcing Department

Elizabeth Arenas- Sourcing Manager

Ph: 216-662-6553 X 251

earenas@improvementscatalog.com

Jessica Willhelm- Sourcing Specialist

Ph: 216-662-6553 X 208

jwillhelm@improvementscatalog.com

Acknowledgement Form

Please acknowledge your understanding by legibly completing this form, signing where indicated and returning the executed copy via fax, email or mail to the address below.

Company Name

Street Address

City, State, Country, Zip Code

Phone Number/ Fax Number

Email Address

It is hereby acknowledged that the undersigned accept and agree to comply with the requirements as outlined by the **Terms and Conditions for Purchase Orders**.

Company Representative/ Title (please print)

Signature

Date

Please email, fax or mail completed acknowledgement forms to:

Karen Woodards

kwoodards@improvementscatalog.com

16501 Rockside Road

Maple Heights, Ohio 44137

Fax: 216-662-7136