

IMPROVEMENTS[®]

Vendor Compliance Manual & Terms and Conditions for Purchase Orders

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INTRODUCTION:

Please read this guide carefully. We want to address requirements “up front” to minimize back-end operating disruptions. If a shipment is received that does not conform with our requirements, a chargeback to recoup the costs of special handling could result. It is our desire to eliminate chargebacks by educating our vendor partners of our requirements prior to receipt of the first shipment.

We look forward to a successful and long-term relationship

QUALITY REQUIREMENTS:

CATEGORIES:

INSURANCE

The vendor must provide a certificate of insurance coverage for product liability (a minimum of \$2 million per occurrence), with HSN Improvements LLC named on the policy, prior to initial shipment of any product. For additional detail please reference pages 34- 38 in the Terms and Conditions herein.

ELECTRICAL ITEMS

All electrical items must be evaluated to UL standards, and have CURRENT UL, CUL, ETL, CSA or TUV LISTING. This listing will be verified. Telephones and devices that use radio frequencies must comply with FCC regulations.

FOOD

All food items must be sealed and must have the ingredients and nutritional information listed on the package. In addition, we require documentation stating that the packaging facility is FDA-approved.

CALIFORNIA PROP 65

Vendors are responsible for ensuring all products delivered to Improvements comply with California’s Prop 65. For entire regulation, limits and implementation dates, please visit the website: <http://oehha.ca.gov/prop65/law/P65Regs.html>. Improvements has adopted specific compliance and testing measures for California’s Prop 65 related to wallets, handbags, purses, clutches, totes, belts and footwear. Please contact the compliance department for further information about these requirements.

FOOD-USE ITEMS

ALL food use items must be in compliance with the FDA standards. The test report MUST reflect if the item is in compliance or noncompliance with California Proposition 65 standards. If the item will come into contact with a person’s mouth, we also require ASTM lip and rim test results. You must provide test reports stating whether the item is safe for use in an oven, microwave or dishwasher.

FURNITURE

For all stools/chairs/furniture, we will need documentation of a static or dynamic load performance test specifying the maximum weight capacity.

COMPOSITE WOOD PRODUCTS

Products manufactured using Hardwood Plywood (HWPW), Particle Board (PB), or Medium Density Fiberboard (MFB) regardless of surface finish must be produced using only materials certified to be compliant with CARB regulation 93120. Documentation of compliance must be provided for record retention to Improvements Sourcing Dept. See page 17 for labeling details.

CHEMICALS/LIQUIDS/POWDERS/HAZARDOUS MATERIALS

All vendors must provide both the Buying Office and Quality Assurance staff with the Material Safety Data Sheets (MSDS) that detail information on each chemical including appropriate safety measures. The Department of Transportation (DOT) shipping classification must also be provided if it is not included on the MSDS. The Quality Assurance department will forward this information to the receiving department in the distribution center. The Distribution Center MUST have this information prior to shipment, or the delivery may be refused, or the vendor may be issued a chargeback penalty.

Item Requirements: Each supplier must comply with all local, state, and federal laws and regulations that apply to the labeling, shipping, storage and handling of hazardous materials. NOTE: Pressurized cans are considered hazardous materials regardless of contents.

MATTRESS/MATTRESS PADS/TICKING

ALL mattresses, mattress pads and ticking MUST be in compliance with Federal Regulations 16 CFR 1632. Please fax a copy of the test report along with a copy of the sewn in fiber content and/or care label for review and approval. Mattresses must be registered for compliance with bedding and upholstery regulations.

RUGS (BATH / AREA / THROW)

ALL rugs MUST be in compliance with Federal Regulations 16 CFR 1630/1631. Test reports must be available and forwarded to the QA staff for review/approval along with the sewn-in fiber content and/or care label.

TEXTILE PRODUCTS

Textile products such as table linens, cushions, furniture covers, window covers, etc., MUST have a sewn-in label stating the fiber content, country of origin, and the care instructions.

PRODUCTS CONTAINING LEAD-BASED PAINTS

Products must comply with U.S. Consumer Product Safety Commission guidelines. Visit <http://www.cpsc.gov/BUSINFO/regsumleadpaint.pdf> online for more information.

COMPLIANCE LABELING

Several industries require labeling for various products. Please be sure that all mandatory labeling is on the product. We will inspect upon receipt of shipment. Following are a few of the labels we will be looking for:

- * Candle Warning Label
- * UL/CUL/ETL/CSA/TUV Label
- * Suffocation Warning Label
- * LHAMA Label
- * Small Parts Warning Label

CLAIMS

Any claims or warranties advertised in the instructions, sales materials, or on the package of the product must have prior substantiation by an independent third-party testing laboratory. Claims will be reviewed by our LEGAL DEPARTMENT, which will require copies of prior substantiation documents.

INSTRUCTIONS/COMPONENTS

If the product requires assembly or requires several steps for use/care of the product, you MUST include English-language instructions with the product. In addition, many products, such as candles and candle holders, toys, and handcrafted items, have MANDATORY warnings or literature that MUST be stated on the instruction sheet.

All instructions will be reviewed and followed for ease and clarity. All components must be stated on the instructions. If the item requires additional components, such as light bulbs, batteries, or hardware, then the size, type or description of these components must be included with the product.

CONSUMER PRODUCT SAFETY IMPROVEMENTS ACT OF 2008

In accordance with the CPSIA beginning November 12, 2008, all shipments must include a general conformity certificate (GCC) to attest product is in compliance with the required mandatory standard. The complete list of regulations can found on <http://www.ccsinc.com/improvements.htm>, under CPSIA or go to <http://www.cpsc.gov/businfor/reg1.html>.

PURCHASE ORDER REQUIREMENTS

Prior to preparing merchandise for shipping, you must receive a valid purchase order (PO) issued by Improvements. Valid purchase orders are transmitted to the vendor via U.S. mail, electronic facsimile (fax), EDI transmission or Vendor Net. Additionally, all new vendors must ensure that we are in possession of the signed Terms & Conditions contract (please reference pages 34- 38 in the Terms and Conditions herein), any associated certificates of insurance, and that all Quality Assurance (QA) and vendor shipping standards requirements have been met.

General Guidelines

A. All POs are subject to the terms stated in our Terms and Conditions (please reference pages 34- 38 in the Terms and Conditions herein). Additional or variant terms proposed by the vendor are rejected unless expressly assented to in writing by Improvements.

B. Only valid, final approved purchase orders will be authorized for shipment to Improvements. Do not accept telephone orders, worksheets or verbal commitments - they are not binding on Improvements. Merchandise shipped to our fulfillment center without a valid purchase order will be returned to the vendor, freight collect.

C. Ship only the styles, colors, sizes and quantities on your purchase order. If purchase order changes are agreed upon after receipt of the valid PO from Improvements, you must receive an updated copy of the PO reflecting the agreed upon changes.

Over shipments, under shipments, partial shipments, unauthorized style, color and size substitutions, merchandise not ordered, merchandise picked in error, merchandise not shipped within the period specified on the PO and defective merchandise will be refused and returned solely at the vendor's expense and risk.

ADVANCE SHIP NOTICE (ASN)

All shipments require an Advance Shipment Notification (ASN) to be emailed the same day the shipment leaves. This must be sent electronically through EDI, Vendor Net (web application), or via e-mail with our ASN Creator.

No faxed ASNs will be accepted at CCSG.

Vendor Net (ASN)-(PREFERRED METHOD)

Vendor Net is a web-based system in which you, the vendor, will receive email notification that your PO has been uploaded to Vendor Net. The vendor is then able to confirm the PO, create the UCC-128 labels and ASN within the program. The Vendor Net checklist must be completed and emailed to lparent@improvementscatalog.com. Once you have been set up in Vendor Net, you will be contacted to be trained on its use.

ASN Creator

There is no cost to the Vendor to use this program. Each time you want to create an ASN, you must visit our website at <http://www.ccsinc.com/Improvements.htm> and fill out the form online. Once the ASN is completed, save it to your computer as an Excel file and email it to im-asn@ccsinc.com. Please reference this shipment's purchase order numbers in the subject line of the email, and request a reply back that the email was received.

EDI

If a vendor has EDI capabilities, then the ASN can be transmitted via Electronic Data Interchange (EDI) in accordance with ANSI X.AS standards. These standards define the EDI ASN 856 advanced shipping notice document.

Please contact the CCSG EDI coordinator at vtg@cornerstonebrands.com.

Please be aware that Vendors will have a 3-month window to pass EDI testing. If you do not pass within 3 months, you will be charged \$150 per test thereafter, with all other relevant VC charges that may apply to your shipment.

ASN Instructions - Shipment Identification

Steps: Find the row representing the mode of transportation to be used.

Find the column representing the method to be used to transmit the ASN to CCSG.

Follow the instructions listed where the row and column intersect.

ASN Method / Shipment Identifier Field

Shipment Type	Excel-based ASN	VendorNet	EDI
	Carrier Pro Field	Tracking Number Field	REF02 Segment
Imports			
Multiple containers	Each container must have its own ASN that includes only the cases loaded onto that container. Place the container number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: CBHU3188692	Each container must have its own ASN that includes only the cases loaded onto that container. Place the container number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: CBHU3188692	Each container must have its own ASN that includes only the cases loaded onto that container. Place the container number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: CBHU3188692
Single container (any size)	Place the container number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: CBHU3188692	Place the container number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: CBHU3188692	Place the container number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: CBHU3188692
LCL	Place the vendor-assigned Bill of Lading Number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place the vendor-assigned Bill of Lading Number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place the vendor-assigned Bill of Lading Number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Air shipment	Place the carrier-assigned Airway Bill Number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place the carrier--assigned Airway Bill Number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place the carrier-assigned Airway Bill Number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Domestic			
Multiple trailers	Each trailer must have its own ASN that includes only the cases loaded onto that trailer. Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Each trailer must have its own ASN that includes only the cases loaded onto that trailer. Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Each trailer must have its own ASN that includes only the cases loaded onto that trailer. Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Full Truckload	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Less-than-truckload (LTL)	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Consolidation shipment	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Small Parcel	Select ANY ONE of the carrier-assigned parcel tracking numbers and place in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: 1ZX672X90346427350	Select ANY ONE of the carrier-assigned parcel tracking numbers and place in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: 1ZX672X90346427350	Select ANY ONE of the carrier-assigned parcel tracking numbers and place in the REF02 Segment. Do not include any hyphens or spaces. Example of proper format: 1ZX672X90346427350

ASN (ADVANCED SHIPMENT NOTIFICATION) SPECIFICS

We require a consolidated ASN with UCC-128 case-level information, as a minimum, for every shipment. You must transfer the full 20-digit UCC-128 case number on the ASN. Each 20-digit case number must be unique; do not use the same case number. Be sure to use the Improvements SKU number that matches the P.O. (including color suffix and size suffix, if applicable) and the case quantity in that one box.

Case quantity (units) is the way we sell the item. For example: if we sell a set of two chairs, and we receive 10 chairs, then the case quantity should be five, representing the number of sets.

CASE MUST CONTAIN ONLY ONE SKU.

If multiple P.O.s are to be shipped under one Bill of Lading, each P.O. should be listed on the BOL, with a breakdown of number of pallets, cases, units and Improvements' SKU numbers.

When more than one truckload is sent, a unique BOL and unique ASN is necessary for each truckload.

Your ASN must be 100% accurate. In order to maintain accuracy, the 'scan and pack' method of ship-notice creation is recommended.

External Case Labeling: Specific Characteristics

UCC 128 Symbology Explanation:



The UCC-128 20-digit barcode is a sequential, serialized bar code that represents a case from a manufacturer or vendor. It consists of five parts:

- A. (00) lets the system know that the bar code is a UCC-128 bar code.
- B. 0 represents a case. All UCC-128 bar codes shipped to Improvements should have a 0 in this position.
- C. 123456 is the manufacturer identification number assigned to Compliant Company (123456 is used as an example only). The identification number is the first 6 digits of a product's UPC, preceded by at least one zero.
- D. 000000001 is the first sequential number for the first case shipped to Improvements by Compliant Company. The next case would have 000000002 and so on.
- E. 8 is the check digit calculated by the software application used to create the bar code. It is a calculation of the previous 16 digits.

A 20-digit case number may only be used once. **Never duplicate case numbers!**

The bar code should adhere to the following:

- UCC Code 128 subset "C"
- Encoded Digits: twenty (20) numeric
- Minimum Narrow Element: .02"
- Wide Element: .08"
- Minimum Bar Height: 1.0"
- Maximum Pattern Length: 3.12"
- Overall Pattern Length: 3.52" (including quiet zones)

IMPROVEMENTS UCC-128 RECOMMENDATION

ADI

This company (ADI) is not affiliated with Improvements Catalogs but is an inexpensive source to purchase UCC-128 compliant labels if you do not print them yourself. Just tell them you are an Improvements Vendor and they will know the exact format we require.

Vendors without the ability to create compliant UCC-128 barcode case labels may contact the following suppliers to purchase labels:

- Adaptative Data Interchange-ADI (Domestic or International Vendors).

Website: <http://www.adi-barcode.com/>

Phone: 937-436-2343, or Fax 937-436-2344

Email: jgribler@adi-barcode.com

or

- Elmicron Printing Services (European Vendors).

Website: <http://www.elmicron.de/>

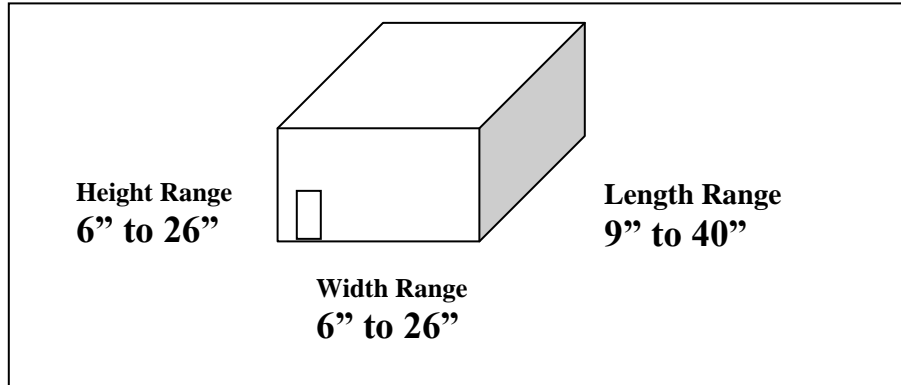
Phone: +49 (0) 34 45-78 11 20, or Fax +49(0) 34 35-77 01 42.

UCC Labeling Software Resources

Vendors who wish to create their own labels may purchase label-creation software. Improvements recommends the Bar Tender program by Seagull Scientific. You may purchase and download the full installation by visiting the Seagull Scientific website at: <http://www.seagullscientific.com/>. For information regarding pricing please contact Seagull Scientific Sales Department at 800-758-2001 or 425-641-1408, or email: sales@seagullscientific.com.

CASE REQUIREMENTS

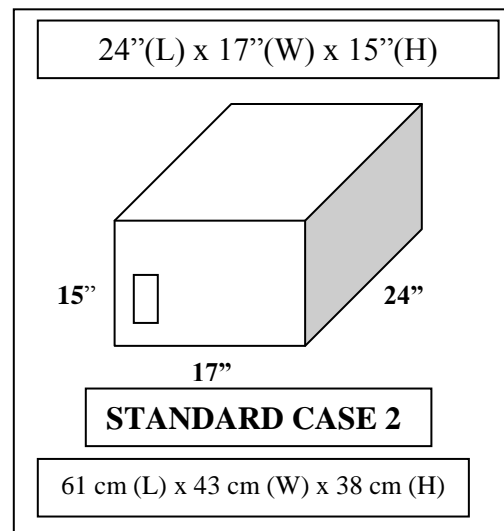
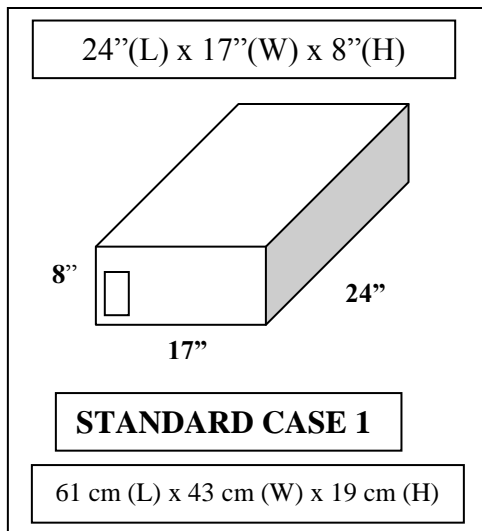
Master packing must be incorporated whenever possible. Master Case sizes must conform to the conveyable dimensions shown here so they can be put on the inbound conveyor and be stored in our reserve and active picking locations.



There are no minimums for the units of a master pack, as long as the carton is within the size range above and kept within the **maximum weight of 50 lbs.** If the case capacity is less than 2 units because of the large size of the product or weight, make the item a *Separate Ship Item* (1 unit per case) and keep in a conveyable box size in the ranges above. If anyone item's size is larger than the above conveyable range, then it would be considered a non-conveyable item and can go outside the conveyable range. (Pages 12 and 13.)

Please remember that each product inside a master case will need a **Product Label.** (Pages 16-17.)

With smaller products, please try to use the Standard Case box sizes below.

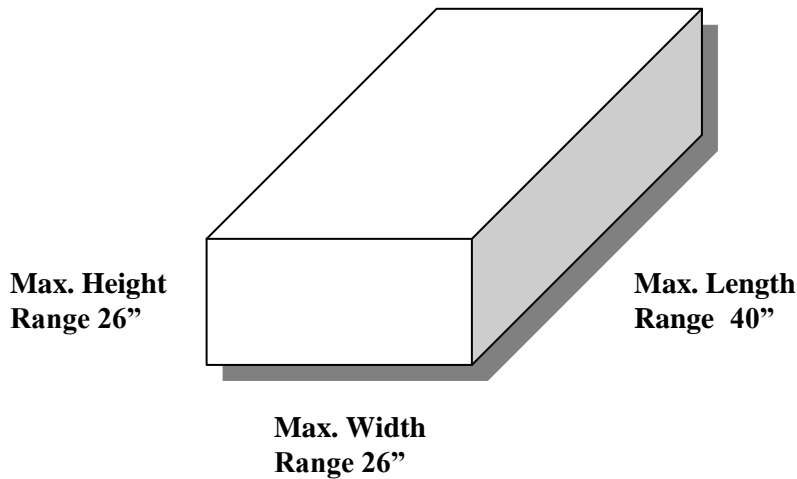


To prevent damage to our material-handling equipment, **do not secure conveyable case with straps, bands or strings. Do not use Styrofoam peanuts in packaging.** All of these are charge-back issues.

Case must contain only 1 SKU. Purchase orders cannot be mixed in cartons.

CASE LABEL PLACEMENT FOR CONVEYABLES AND NON-CONVEYABLES

How to Determine Conveyable vs. Non-Conveyable Products



Conveyable Cases - This diagram shows the maximum dimensions for a conveyable case. This is the largest case that can be transported by our conveyors. "Arrow" placement or "This Side Up" directions on box does not effect UCC-128 label placement.

Non-Conveyable Cases - If any case dimension is larger than one of these, the case is non-conveyable and must be labeled for non-conveyable receiving. "Arrow" placement or "This Side Up" directions on box does effect UCC-128 label placement.

Conveyables Labeling Guidelines

Challenges - Case must receive a usable scan, and ride the conveyor securely. The scanner is pointed at the lower left-hand area of the approaching case. To ride securely, the center of gravity of the case must be as low and evenly balanced as possible.

Requirements - The UCC-128 case label must be placed on the smallest side of the case. To do this, disregard what you may normally think is the height of the box. Find the two smallest measurements of the box. The smallest measurement will become your height and the next-to-the-smallest measurement will be your width. Turn the box with this side facing you. Place the label upright, in the lower left-hand corner, 1 inch from the bottom and left edges of the case. If your height is smaller than 6 inches, you can wrap the top portion of the label over the top of the box. Case flaps should not effect label placement. However, do not cross a flap with a UCC barcode.



UCC-128
Label--
Regular
Box

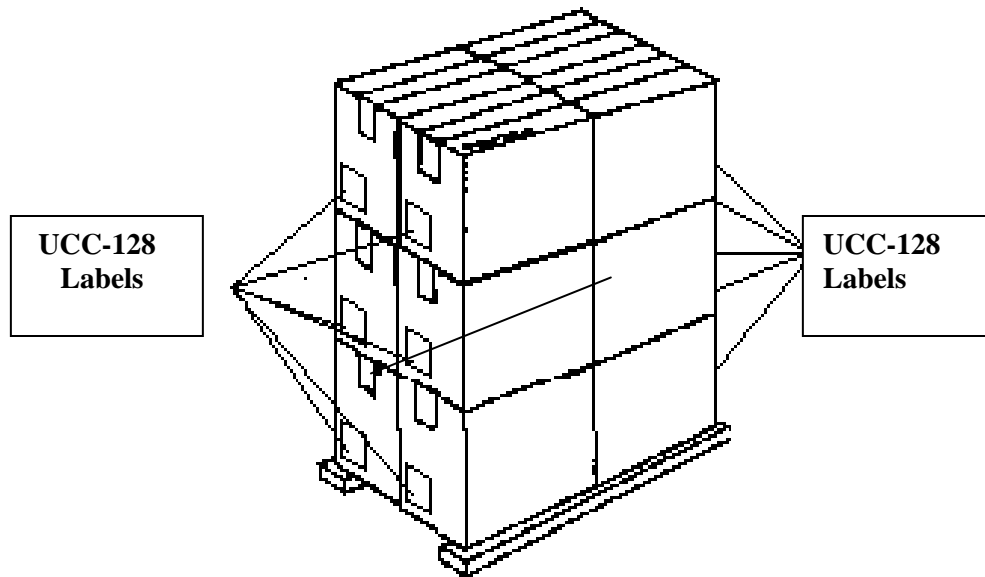


UCC-128
Label--
Box shorter
than 6"

Non-Conveyable Labeling Guidelines

The label placement must support the requirement for access by hand-scanning in the non-conveyable-items area. All UCC-128 labels must be positioned on non-conveyable items so they can be read from the outside of the pallet.

Place the UCC-128 label on the lower left-hand side of each box. The following illustration shows two sides where labels could be placed.



Arrow Directions for Non-Conveyables Only

The warehouse follows safe handling practices regarding transportation and storage of product. Consequently “arrow” instructions printed on incoming non-conveyable packages are considered critical. Vendors should only use these indications when the “arrow” instructions impact the security and protection of the product.

For example, if an arrow indicates that a product should be transported and stored in a vertical orientation, the product must arrive at the DC in this orientation, and the placement of the item or UCC 128 labels must coincide with this requirement, as shown here:



For questions regarding case labeling, please call our Vendor Compliance Specialist at 216-662-6553 Ext. 222 or email; lp@parent@improvementscatalog.com

GENERAL PACKAGING REQUIREMENTS

Vendors are expected to deliver merchandise in prepackaged units exactly as they are to be sold to the customer. (Absolutely no inserts, advertisements, romance cards, etc. [except instruction sheets] are to be included in the packaging without Improvements express prior approval.) All items require packaging that will protect them during distribution, storage, handling and shipping. There are four package formats that are acceptable to Improvements:

- * Polybags
- * Boxed, Non-Fragile Item
- * Protective Packaging, Fragile Item
- * Ship-Alone Packaging (Separate Ship)

POLYBAGGED ITEMS: Non-fragile items can be packaged in individual polybags with the Improvements style number on the product label (Pages 16-17). Multiple items of the same style number, size, color and pattern are then packed into a master carton. All items must be protected from dust, dirt, scratching, scuffing, etc. No item should be open to the environment. Items in a polybag must be packed into a master carton and palletized/unitized for shipment to the distribution center. The polyethylene bag must be a minimum of 1.5 mils thick and must be closed securely. Note: if the circumference of the polybag opening is larger than 14 inches then a warning label must be attached, as follows:

THIS BAG IS NOT A TOY.

WARNING: TO AVOID DANGER OF SUFFOCATION KEEP THIS BAG AWAY
FROM BABIES AND CHILDREN. DO NOT USE IN CRIBS, BEDS, CARRIAGES,
OR PLAY PENS. TEAR UP BAG BEFORE THROWING AWAY.

BOXED, NON-FRAGILE ITEMS: Many items are packaged in a retail box made from kraft board or corrugate boxes with burst strength less than 200 lbs. per sq. inch. This type of box may be sufficient for non-fragile items, or where there is sufficient inner protection to prevent damage from shock or vibration. The box must be sealed to prevent tampering or loss of product. If the product is exposed, or the item may fall out of the package during conveyance, a polybag, shrink film or over-box must be used. These items must be delivered in a master carton with a product label on each (Pages 16-17).

PROTECTIVE PACKAGING FOR FRAGILE ITEMS: Items that can easily break must have inner and/or outer protection sufficient to withstand the normal distribution handling and shipping environment. Inner cushioning should be provided in proportion to the fragility of the item. Several materials are available to cushion the inner product from damage, including EPS foam and fill, corrugate pads, bubble wrap, tissue or newspaper wrap, or shredded paper. **NO STYROFOAM PEANUTS.** Other cushioning materials may be pre-approved by Quality Assurance. Only items packaged in corrugate boxes with Mullen burst strength of 200 lbs. per sq. inch (32 lbs. edge-crush test) or greater may be packaged without a master carton. Multiple units may be packaged in a master carton, one style per master carton, or unitized for shipment.

SHIP-ALONE PACKAGING (SEPARATE-SHIP): The Improvements style number may be pre-printed or labeled. The material construction of ship-alone cartons is based on the fragility and weight of the item.

- For smaller, lightweight items, use a single-wall corrugate with minimum burst strength of 200 lbs. per sq. inch (or edge crush values of 32 lbs.) and inner cushioning, as appropriate to pass the drop tests. If the item scratches easily, it should be wrapped in paper or plastic film.
- For overseas shipments and heavier or larger items, we require double-wall corrugate with minimum burst strength of 200 lbs. per sq. inch with vertical fluting. The cartons should be securely sealed with reinforced tape or staples on both ends of the box. Inner cushioning should be designed to protect corners and edges of the item, and other sensitive parts of the merchandise.
- Rugs and mats: refer to pages 26-30.

CHEMICALS: LIQUIDS & POWDERS: Liquids and powders must be packaged to prevent leakage.

1. **Aerosols:** Cans must have protective plastic cap covering the nozzle.

2. **Non-Hazardous Powders, Pastes and Creams:** Must be in containers that will not leak under normal mail-order handling and distribution. Kraft boxes without inner liners are not acceptable for powders.

3. **Non-Hazardous Liquids:** Must have a functional inner seal. Spray applicators cannot serve as closure when item is greater than four ounces. Applicator must be enclosed together with the product in a sealed polybag, or otherwise securely attached to the container. If item is four ounces or less, the applicator can serve as the closure if it has a protective plastic cap over the nozzle.

4. **All Hazardous Chemicals—Powders, Pastes, Creams, Liquids:** Item must have a functional inner seal AND be in a sealed polybag (minimum 40-gauge thickness). Hazardous is defined as a Health Hazard Rating of 3 = High (Serious) or 4 = Very High (Extreme) from the Material Data Safety Sheet.

5. **Glass:** When glass is the only acceptable packaging material for an item, the product must be reviewed by Improvements Quality Department for approval.

If liquids are received leaking as packaged from the vendor, and it is determined to be due to insufficient packaging or an inadequate container seal (not as a result of transport handling), then the portion of the shipment that is affected will be destroyed “in the field” to prevent incurring additional liability for personnel who may be harmed, or other products or equipment that may be damaged during a return shipment. Although this product is destroyed, normal documentation will be completed and submitted to the vendor for credit or reimbursement.

PRODUCT LABEL

All items, conveyable or non-conveyable, must have a **product label** even if the quantity is just one to a box. If an item is **master-packed**, then each individual box or poly bag inside must be individually labeled with a **product label**, as well as the outside of the **master pack**. This can be done with a label or printed on the box. The following information must be included on the product label:

- Improvements Item # (from the PO)
- Product Description
- Color (if applicable)

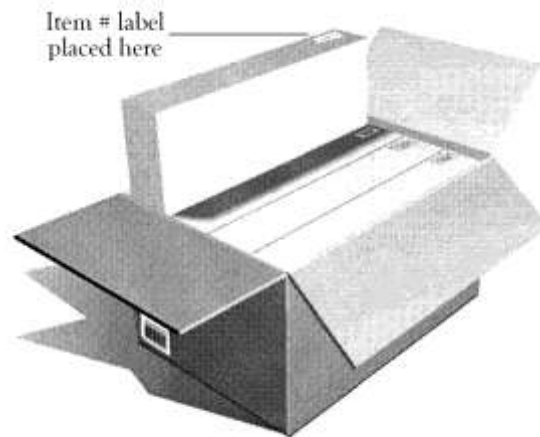
All label fonts must be either 10-pt. or 12-pt. tall. An address label (1"x2-5/8") will work well.

Position individual **polybag** product labels on the front lower right of each item inside a master case.

Position individual **box** product labels on the outside upper right of each item inside a master case.

The product label should also be placed on the outside of each Master Case on the same side as the UCC-128 label, but in the upper right corner. If you are printing the Improvements item # information directly on the box, then any location on the box is okay.

Example item label:



ORM-D Labeling

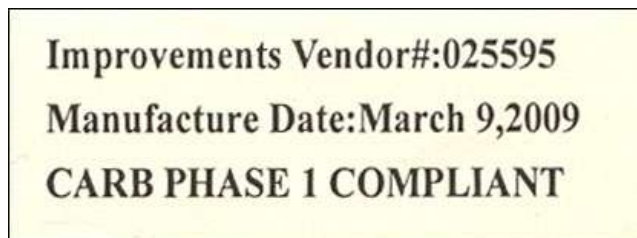
ORM-D (Other Regulated Materials- Domestic) is any item containing hazardous material in a limited quantity that presents hazard during transportation due to its form, quantity or packaging. Items classified as ORM-d must be labeled with the consumer commodity ORM-D label.



CARB 93120 for Composite Wood Products

Any item manufactured using HWPW, PW, or MDF must be labeled in accordance with 93120.7(d) to confirm compliance to the approved Airborne Toxic Control Measure (ATCM) enacted to reduce Formaldehyde emissions from composite wood products. Labels must include, at a minimum, the following information:

- Vendor number
- Date of production
- Denote compliance with Phase 1 or 2



Placement of the Carb label needs to be on the front of each master carton as well as on each individual item. The placement of the Carb label should be in a discreet location on the back or bottom of the item: it should not be seen when the item is in use.

PACKAGE TESTING REQUIREMENTS

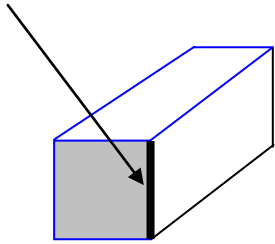
All items must be package-tested before they are shipped, to insure that our customers receive undamaged merchandise. All packaging samples must be tested in-house at Improvements using the following guidelines. All previous test results stand unless otherwise notified. For instructions on sending your packing test sample, domestic goods contact your buyer, import goods contact the sourcing department. **Do not use Styrofoam peanuts in packaging.**

1. Determine the weight and girth of an item. Girth is calculated using the formula below:

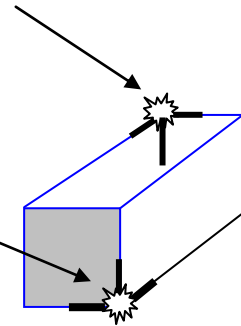
$$\text{Longest side} + (2 \times (\text{next longest side} + \text{smallest side}))$$

2. All items that weigh less than 150 lbs., and whose girth is less than 165 inches, will be dropped from a height of 30 inches. The item will be dropped a total of 14 times using the drop techniques below:
 - Item is dropped on the manufactured corner bottom, the direct opposite top corner, and the three seams leading away from those corners.
 - Item is dropped on the top, bottom and all four sides.

This is the manufactured edge where you see the manufactured seam.



Drop from 30 inches at the top corner of edge directly opposite the manufactured seam and the three edges leading away from that corner.



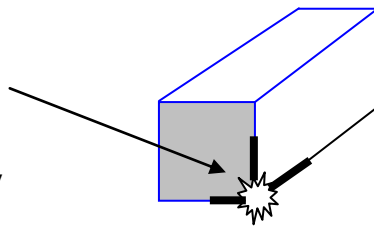
Drop from 30 inches at bottom corner of manufactured edge and the three edges leading away from corner.

3. All items that weigh more than 150 lbs., and whose girth is more than 165 inches, will be dropped from a height of 24 inches.

The item will be dropped a total of 10 times using the drop techniques below.

- Item is dropped on the manufactured corner bottom and the three seams leading away from that corner.
- Item is dropped on the top, bottom and all four sides.
-

Drop from 24 inches at bottom corner from manufactured edge and three edges leading away from corner.



PACKING LIST

TRUCK LINE / CONTAINER - Packing slip may be attached to the Bill of Lading (BOL)

OR - externally attached on LEAD case for EACH PO.

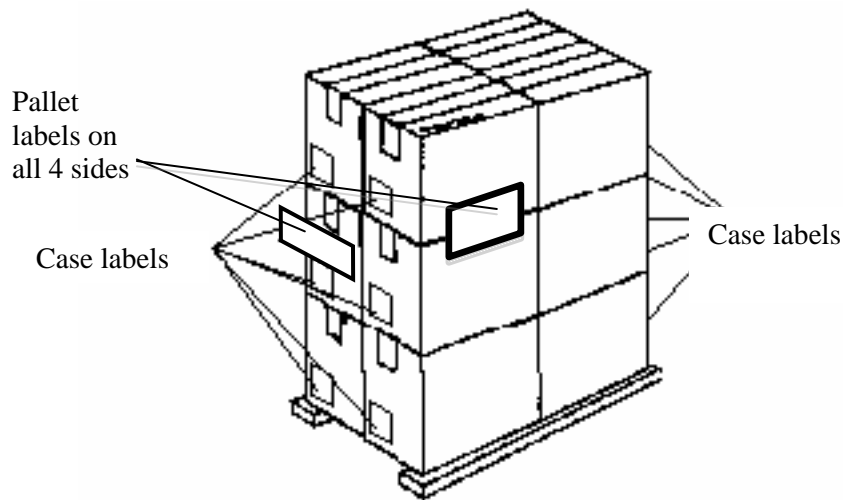
UPS / ALL OTHERS - One packing slip externally attached on EACH case.

VENDOR NAME					
Street Address					
City, State Zip Code					
Phone Number					
Fax Number					
PACKING LIST					
BILL TO:			SHIP TO:		
Improvements Catalog			Improvements Catalog		
CCSG—Accounts Payable			CCSG		
P.O. Box 1098			8877 Union Centre Blvd.		
West Chester, OH 45071			West Chester, OH 45069		
U.S.A.			U.S.A.		
CARRIER USED:		CARRIER PRO #:		SHIP DATE:	
<input type="text"/>		<input type="text"/>		<input type="text"/>	
PURCHASE ORDER #:					
<input type="text"/>					
Quantity Ordered	Quantity Backordered	Quantity Shipped	Improvements Item Number	Vendor Item Number	Description Size, Color, Style
TOTAL UNITS		TOTAL CARTONS		TOTAL PALLETS	
<input type="text"/>		<input type="text"/>		<input type="text"/>	
TOTAL WEIGHT					
<input type="text"/>					

PALLETIZING

- a. The required pallet size is 48” long x 40” wide (1.22m long x 1m wide).
- b. Use 4-way pallets.
- c. A pallet label, including the following information, must be on all 4 sides of EACH pallet:
 - Vendor Name
 - Address
 - PO #
 - PRO #
- d. A separate sheet of brightly colored paper, approximately 8.5” x 11”, should be placed on all 4 sides of each pallet. These sheets should read:

“PLEASE DO NOT BREAK DOWN SKIDS”
- e. Cartons on the pallet must not overhang pallet length or width.
- f. Maximum height of pallet is 65” (1.65 meters), including cases and pallet.
- g. When palletizing multiple Purchase Orders, cases of the same PO should be on the same level of the pallet or on the same pallet.
- h. Cases of the same PO should be numbered “xx of xx” starting with “1 of xx”.
- i. Place cases on pallet so all of the case labels face forward (column-stacked) as shown:



BILL OF LADING

Vendor name, carton count AND **purchase-order numbers must be printed** on the Bill of Lading. If multiple POs are shipped on one BOL, then the total cartons across all ASNs must match the total cartons on the BOL. This is extremely important.

ROUTING GUIDE & TRANSPORTATION

All shipments must follow the Routing Guide. It is the Vendor's responsibility to have the most up-to-date Routing Guide available. The latest routing guide is available on <http://www.ccsinc.com/improvements.htm> for all shipments going to the CCSG Distribution Center.

Any of the following violations will result in a penalty:

- 1. Freight shipments not shipped "collect" or "billing terms collect", or is billed to a third-party:**
 - If Improvements or its affiliates are paying any portion of the freight, shipments are to be made on a "freight collect" basis. Merchandise invoices with freight charges added will be paid net of freight charges.
- 2. UPS shipments not shipped "collect":**
 - Please use our UPS account number from the Routing Guide.
- 3. Unauthorized carriers:**
 - If Improvements or its affiliates are paying any portion of the freight, then the carrier specified in our current routing guide for the origin/destination/shipment size must be utilized.
All merchandise lost or damaged will be the responsibility of the vendor if wrong carrier is used.
- 4. Overweight shipments:**
 - Shipments matching the overweight/oversized shipment characteristics in our current routing guide must be routed per the overweight/oversized shipment-routing instructions. Each shipment will be assigned a unique authorization number regardless of the specific carrier selected by CCSG Transportation or their agent. The authorization number must appear on your bill of lading or air bill.
 - Multiple-trailer shipments require one Bill of Lading per trailer.
- 5. Shipment did not match authorized weight, cube, cartons:**
 - Shipments being routed via our overweight/oversized routing guidelines must match the weight, cube, and carton count authorized.
- 6. Unauthorized air shipment.**
- 7. Failure to consolidate same day / destination shipments:**
 - All merchandise to be shipped from a single shipping address to a single destination address on the same day must be combined onto a single Bill of Lading. Routing guidelines should then be applied to the entire shipment.
- 8. Merchandise consigned to wrong location:**
 - Merchandise must be consigned to the proper location as specified on your purchase order. Failing to ship to the address specified on the purchase order will result in the following:
 - a) All freight charges will be the responsibility of the vendor.
 - b) Any detention fees and/or transfer freight will be the responsibility of the vendor.
 - c) An expense offset will be assessed.

DIRECT IMPORT REQUIREMENTS

As an Improvements Vendor, you **MUST** comply with all U.S. Import requirements, as per the Department of the Treasury, U.S. Customs Service. Vendors will be held accountable for any and all violations of these U.S. Import Requirements that result in delays or additional costs to Improvements. For more details regarding U.S. Import Requirements and U.S. Customs, please reference <http://www.customs.treas.gov>.

Documentation

All entries are required by Customs Service to accommodate the paying of duties and taxes that are due and payable to the U.S. government at the time of importation. Duties are assessed when the importing carrier arrives at the U.S. port of entry. To facilitate the entry of goods into the United States, U.S. customs officials require that proper documentation must be provided within 5 working days from the date the carrier arrives, to secure their release.

To successfully meet these requirements, Improvements Catalogs request the following documentation/Customs paperwork written in English: **Please note that "Customs Paperwork" includes but is not limited to : Commercial Invoices, Packing list and original bill of lading (if applicable) plus any other customs required paperwork for the specific commodities.*

- **ISF 10+2 requirements as outlined by US customs** (See page 24)
- **CPSIA- Consumer Product Safety Import Act** (See page 24)
- **General Certificate of Conformity (GCC)** (available on <http://www.ccsginc.com/improvements.htm>)
- **Lacey Act- Plant and Plant Product Form** (See page 25)
- Commercial Invoice (indicate phase of compliance to Carb 93120 for all composite wood products)
- Packing List.
- Quantity and net weight of each item.
- Marks and numbers on each box, case, per container.
- Textile declarations and Quota Charge Statements.
- NAFTA forms.
- Certificate of origin of the item (Form A).
- Shipping documents.
- Other Documents (if applicable)

OTHER AGENCY REQUIREMENTS

- FDA Permits
- ATF Labels or permits
- USDA regulations satisfied
- DOT, EPA, or other agency requests
- TSCA Statements

COUNTRY OF ORIGIN MARKINGS

In addition to the labeling requirements already specified in this manual, Improvements and U.S. Customs require the following of imported products.

All imported articles are required to be marked individually with “Made in _____” or “Product of _____” and put in a conspicuous place as indelibly and permanently as the nature of the item permits (except if marking an item would cause damage.)

Improvements requires the Country of Origin to be marked on the individual item, AND on the item packaging.

If paper sticker or pressure-sensitive labels are used, they must be affixed in a conspicuous place and so securely that unless deliberately removed they will remain on the article while it is in storage or on display, and until it is delivered to the ultimate purchaser. When tags are used, they must be attached in a conspicuous place and in a manner, which ensures that unless deliberately removed they will remain on the item until it reaches the ultimate purchaser. **Marking that will not remain on the article during handling or for any other reason except deliberate removal is not a proper marking.**

Vendors will be held accountable for any and all violations of these U.S. Import Requirements that result in delays or additional costs to Improvements.

Specifications for Import Vendors

- a. Packing slips must be ON and IN the lead case for each purchase order (Example: cases of the same PO should be numbered “xx of xx” starting with “1 of xx”, 1=lead case).
- b. Bill of Lading (BOL) and PRO# are supplied by the import vendor’s freight forwarder.
- c. The carrier for an import vendor is their freight forwarder.
- d. The UCC-128 label bar code must meet the following specifications:
 - Minimum narrow element: .02” (.05cm)
 - Wide element: 1.0” (2.5cm)
 - Minimum Bar Height: 1.0” (2.5cm)
 - Maximum Pattern Length: 3.12” (7.9cm)
 - Overall Pattern Length: 3.52” (8.93cm)
- e. Cases must meet the following dimensions:
 - Minimum case weight is 2 lbs. (0.9kg)
 - Maximum case weight is 50 lbs. (22.7kg)

IMPORTER SECURITY FILING (ISF 10+2)

Effective January 25th, 2009, Customs published Importer Security Filing Rule known as 10+2 and refers to the 10 additional data elements that will be required from importers and the 2 additional data elements that will be required from carriers.

The rule requires importers to transmit an Importer Security Filing to Customs for cargo other than foreign cargo remaining on board (FROB), no later than 24 hours before cargo is laden aboard a vessel destined to the United States.

As a Improvements Vendor you are required to provide the data elements shown below as part of your import packet provided to the freight forwarder.

REQUIRED DATA ELEMENTS:

- **Manufacturer (or seller) name & address (Factory)**
- **Seller name and address (Vendor/Agent)**
- **Buyer name and address**
- **Container Stuffing Location**
- **Consolidator (stuffer) name & address**
- **Importer of record identification #**
- **Consignee #**
- **Country of Origin**
- **HTSUS #**

CONSUMER PRODUCT SAFETY IMPORT ACT (CPSIA)

In accordance with the CPSIA beginning November 12, 2008 all shipments to Improvements Catalog must include a General Conformity Certificate (GCC) to attest product is in compliance with the required mandatory standard. This certificate is required to be included with the import documentation provided to the freight forwarder and to Improvements Sourcing Dept. in electronic form for record retention.

The General Certificate of Conformity must at a minimum include:

- Identification of the product covered.
- Citation to each CPSC product safety regulation to which the product is being certified.
- Identification of the manufacturer certifying compliance of the product.
- Contact Information for the individual maintaining records of the testing results.
- Date and location where the product was manufactured.
- Date and location where the product was tested for compliance with cited regulations
- Identification of any third-party laboratory on whose testing the certificate depends.

An example of the acceptable GCC form can be found on <http://www.ccsinc.com/improvements.htm>.

LACEY ACT

The purpose of the Lacey Act is to prevent the trade in illegally harvested lumber and wood products made from illegally harvested lumber. The Lacey Act makes it unlawful to trade in any plant that is taken, possessed, transported, or sold in violation of the laws of the United States or any foreign law that protects plants.

On April 1, 2009 the Lacey Act requires an import declaration for all plants and plant products, except plant based packaging used exclusively to import other products. Importers must file a declaration to be included with the import packet that contains the scientific name of the plant, the value of the importation, quantity and the name of the country from which the plant was taken.

Declaration form can be downloaded directly by going to:

http://www.aphis.usda.gov/plant_healthy/lacey_act/index.shtml.

More information concerning the "new" import regulations can also be found on the Improvements website:

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

Contact information for any questions regarding the Import Regulations -

Elizabeth Arenas- email to: earenas@improvementscatalog.com

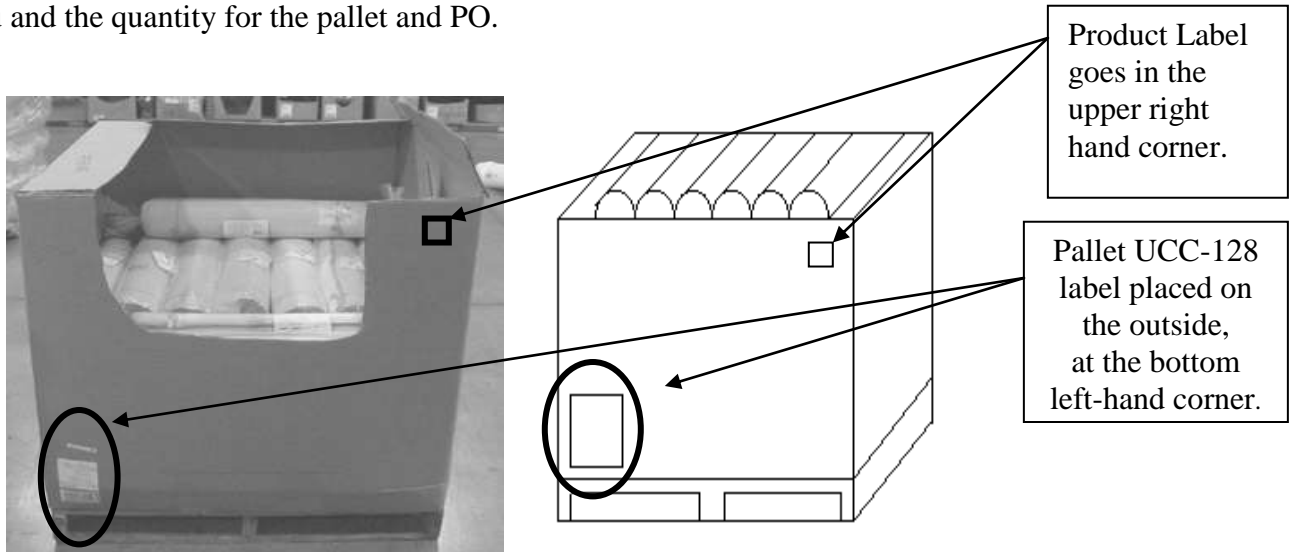
Jessica Wilhelm- email to : jwilhelm@improvementscatalog.com

RUGS, FABRICS AND DOORMATS 1.0

All rugs, fabrics and doormats shipped to the warehouse must meet the following qualifications.

Small Rugs 4' x 6' or under:


- a. Preferably, small rugs should be placed in a Gaylord box. Each pallet must have a UCC-128 pallet label in clear view placed on the outside of the Gaylord. This label should list the Improvements sku and the quantity for the pallet and PO.



- b. A Product Label should also be positioned on the same side as the UCC-128 label, but in the upper right-hand corner of the Gaylord box.
- c. One sku per pallet and Gaylord box.

UCC-128 Pallet Labels and Gaylord Labels

Pallet and Gaylord labels are used for small rugs under 4' x 6' and doormats that are not in a conveyable master case box. Each pallet of rugs must be accompanied by a UCC-128 pallet label. The label must be affixed to the outside of the Gaylord box. The label must be the VICS Universal Code Council 128 (UCC-128) standard case label. Each label must include the following information:

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> a. Vendor Shipping Address b. "Ship-To Address"
(from PO) c. PRO # (Carrier Tracking #) d. Purchase Order # (PO) e. Improvements Item #
(SKU) f. Vendor Item # g. Item Description
(Size, Color, Style) h. Carton Count (ie. 1 of 5)
Case Count (quantity on
pallet) | E
X
A
M
P
L
E |  |
|---|--|---|

**E
X
A
M
P
L
E**

SHIP FROM:	SHIP TO: Improvements Catalog 8877 Union Centre Blvd West Chester, OH 45069
Ship to Postal Code: (420) 45069	Carrier Info:
	Pro #: B/L #:
Purchase Order #:	
Improvements Item #:	
Vendor Item #:	
Size:	
Color:	Qty/Case:
Desc:	
Case #	of
(00) 0 7800032 000001930 7  (00) 0 7800032 000001930 7	

Please don't forget to put a Product Label on each rug, and on the pallet's packaging on the same side as the UCC-128 label.

Small Rugs 4' x 6' or Under - Another Option:

1. If Vendors do not ship in a Gaylord box, they must place these rugs in a conveyable master case box (page 12). A conveyable master case box also works well for small quantities of rugs of the same sku which will not fill a Gaylord box.
2. One sku per master case.
3. Please remember not to go over 50 lbs. per master case box.
4. A Product Label must be placed on each rug's poly bag with the Improvements sku.
5. A UCC-128 label must be placed in the correct position on this master case box (page 12). A Product Label also goes on the same side as the UCC-128 label, but in the upper right-hand corner (pages 16-17).

Rugs 4' x 6' or larger, & Fabric Bolts:

1. One sku per pallet.
2. Pallet should be accommodating to the length of the rugs, to avoid dragging. Use longer pallets for longer rugs to avoid damage caused by dragging rugs. Rugs and fabrics should be stretch-wrapped or banded to a pallet to prevent shifting during transit.

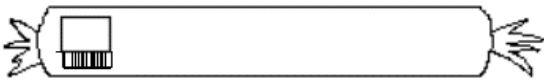


This photo illustrates a pallet that suspends the rug above the ground, free from dragging.



This rug suffered significant damage and is no longer saleable.

UCC-128 Labels for Rugs over 4' x 6' or larger, & Fabric Bolts



Large rugs and fabric bolts will need a UCC-128 label on each item. Label the poly-bag with a UCC-128 case label (include size of rug, or yardage, if fabric), Purchase Order #, and Quantity.

Example: Rugs: Quantity: 1. Fabric: Quantity in whole yards.

See above illustration for the correct UCC-128 placement of this label on rugs and bolts of fabrics.

Also place a Product Label on each rug or fabric bolt at the end of the bolt.

Product Label

Each rug must be individually labeled with the Improvements item number. This label contains the rug's SKU number accompanied by any size, color, or style definitions that follow.

123456
Coral Border Rug 6' x 9'
Vendor Item # 30-1249-04
PO# 100064144

Packaging

Each rug or bolt of fabric should arrive in its own plastic or mesh bag, and individually labeled with Improvements Product Label. Rugs or fabric bolts are not to be bagged in multiple quantities or banded together.



Rugs or fabric bolts combined in one bag or banded together is not acceptable.

3. Rugs and fabric bolts should be placed in durable polyethylene bag that is at least 2-3 mils thick, or Ty-Vek material.
4. Securely seal the bag with PVC tape, but interlocking plastic ties are acceptable as long as the tail is taped down.
5. Please double-bag rugs 4' x 6' or larger.

Doormats

There are two options for shipping doormats.

1. Individually place each doormat into a polyethylene bag that is at least 2-3 mils thick, or a bag made of Ty-vek material. Securely seal the bag with PVC tape and apply to the bag a Product Label that includes the Improvements sku. Multi-pack the item into a conveyable master-pack cardboard box (page 12). Place the UCC-128 label (page 12 and the Product Label in the correct positions on the master pack carton (pages 16-17).
2. Doormats can also be sent by pallet. Do not poly-bag the item. Product label must still be attached securely to each rug by hangtag. Please see the following specifications:
 - Pallet shall be built to closely match the size of the doormats; that is, sized to avoid overhang (pallet too small) or wasted space (pallet too large).
 - Doormats shall be placed one on top of the other on the pallet, to maximum height.
 - Breathable pallet bag shall be placed over the entire stack of doormats.
 - Stack cross-banded to the pallet (one band in each direction).
 - Only doormats of the same style and color may be placed on the same pallet.
 - UCC-128 pallet labeling must be present, identifying each skid.
 - Skids shall be stacked in container to utilize container space efficiently.



Charge Backs for Non-Compliance

As a supplier to Improvements Catalog, it is important that you comply with our entire product and packaging polices and standards. Non-compliance with any of the procedures or standards will result in a charge back, issued to you for the extra operational expense incurred by our Distribution Center. Each PO is considered a separate shipment.

CHARGES ARE \$150 PER VIOLATION.

		Charge	Per	Description
101	No Appointment	\$150	shipment	Shipment arrives with no appointment
102	ASN not on time	\$150	shipment	ASN must be to Pre-Receiving no later than 24hrs before shipment arrives
103	ASN not Complete & Accurate	\$150	shipment	Missing Data or Incorrect Data
104	ASN & Shipment Don't Agree	\$150	shipment	Carton Count or Product varies between paperwork and actual report or BOL
105	UCC-128 not Present	\$150	shipment	UCC not present on any case of the shipment
106	Case Label not in Proper Loc.	\$150	shipment	UCC not on lower left or smallest side of carton -conveyable
107	Min. Case Markings Not Present	\$150	shipment	Missing or inaccurate detail on the UCC-128 label
108	Poor Case Packing	\$150	shipment	Outside carton does not meet min 32 ect, 200 lbs or exceeds 50lbsmax(CV) weight
109	Case label no Per Code-UCC	\$150	shipment	Algorithm or barcode dimensions outside UCC compliance
110	No Case Level ASN	\$150	shipment	Used when shipment does not have case level data
111	UCC-128 label not scannable	\$150	shipment	Bar Code does not scan
112	STD carton Used Per Compliance	\$150	shipment	Carton Limits outside limits in Manual- conveyable
113	Conveyable Cartons w/Binding	\$150	shipment	Banding in place on any coveyable carton- banding can not be used to create master carton.
114	SKU Label Missing	\$150	shipment	Brand sku number&/or description missing or inaccurate on each item in carton
114MP	Warehouse Prep-Sku labeling	\$0.47	per item	Merch Prep charges to sku label individual items missing sku label
115	Multi-Sku Cases	\$5	case	Each multi-sku case in shipment is billed at \$5 per case
117	Problem Resolution	Prevailing Rate	hour	Hours Associated spend resolving a vendor issue in receiving
118	Problem Resolution Pulls in HB	Prevailing Rate	hour	Hours Associated with crane operations when putting cases from a vendor caused issue
119	Photography of Compliance Problem	\$5	per photo	Cost of any photos requested for VC issues
121	Rug Compliance	\$150	shipment	Shipment of mats or rugs does not meet sku segregation requirements
122	ASN Incorrect Format	\$150	shipment	ASN not in electronic format, includes old Excel versions
123	Bad Invalid EDI DATA	\$150	transaction	Indicates vendor has passed testing previously & shipment noted had incorrect info.
125	Asn Overage above 10% on PO	\$150	shipment	Used by Pre-receiving for tracking purposes

You will be notified of any infraction and are expected to correct the situation with future shipments. The Improvements Accounting Department will be notified of the incident and a debit will be issued to your account. The debit will be deducted from a future payment.

Our Distribution Center charges Improvements for any compliance violations that occur. Improvements Catalog passes these charges to our vendors.

All future purchase orders will be subject to a discount schedule based on the number of days late an order ships vs. the vendor confirmed ship date at the time of the order confirmation. Direct international suppliers will be evaluated on the date a container is requested from Improvements freight forwarder in conjunction with the days required to receive equipment. Additionally, orders beyond the cancel date on the purchase order will remain subject to cancellation.

The intention of this initiative is not to increase the amount of vendor chargebacks, but rather decrease the number of late shipments. If problems arise that will cause a delay in shipments, it is in the best interest of all parties that those delays be brought to our attention as soon as known.

The discount schedule is as follows:

<u># of Days Late</u>	<u>Discount %</u>
1 - 7 Days	0%
8 - 14 Days	3%
15 - 30 Days	5%
31 - 60 Days	15%
61 - 90 Days	30%
>90 Days	50%

RETURNS TO VENDOR

Quality Returns

Prior to the initial shipment of a product, the vendor must establish a written agreement with the Improvements buyer on the disposition of goods that fail quality expectations. Merchandise will be returned to you for any of the following reasons, as set forth in the purchase order agreement: quality defects in workmanship or material, damages due to insufficient packaging, missing parts, product is not as ordered, overshipment, or cancelled purchase order. Damage resulting from transport handling will be claimed against the freight carrier.

If liquids are received leaking as packaged from the vendor, and it is determined to be due to insufficient packaging or an inadequately sealed container (not as a result of transport handling), the portion of each shipment that is affected will be destroyed “in the field” to prevent incurring additional liability for personnel who may be harmed, or other products or equipment that may be damaged during a return shipment. Although this product is destroyed, normal documentation will be completed and submitted to the vendor for credit or reimbursement.

When a shipment is received at the Distribution Center, it will be inspected for quality. Any deviations from the buyer’s sample will be considered a vendor violation and chargebacks may be incurred. The Buyers, Quality Assurance, or the Returns Department will contact the vendor by telephone, fax, e-mail or other means for disposition of the merchandise. **If no response is received within 15 days, the merchandise will be returned to the vendor without an authorization. If the return shipment is refused, it will then be liquidated at the vendor’s expense.**

Customer Returns

The vendor acknowledges that Improvements does not inspect each item upon receipt, and unacceptable products may be returned to our Distribution Center by the ultimate customer. Prior to the initial shipment of a product, the vendor must establish a written agreement with the Buyer on the disposition of these goods. The Returns Department will contact the vendor by telephone, fax, e-mail or other means to request a Return Authorization number from the vendor. **If no response is received within 15 days, the merchandise will be returned to the vendor without an authorization. If the return shipment is refused, it will then be liquidated at the vendor’s expense.** If a vendor prefers to “destroy merchandise in the field”, procedures for documentation and receiving credit must be approved by the Improvements Finance Department and the Returns Department.

CLAIMS AND LEGAL ISSUES

A. The vendor shall indemnify, hold harmless, protect, and defend HSN Improvements LLC and its affiliates from any and all cost/loss (including reasonable attorney's fees) in the event of a suit or a claim for:

- 1) Any violation or alleged violation of U.S. Federal Regulations.
- 2) Any patent, copyright, or trademark infringement unless the goods are made in accordance with special specifications developed by HSN Improvements LLC.
- 3) Personal injury and/or property damage resulting from defective manufacturing or design of a vendor's product. The vendor must provide a certificate of insurance coverage for product liability (a minimum of \$2 million per occurrence), with HSN Improvements LLC named on the policy, prior to the initial shipment of any product.

B. In the event any article purchased becomes a banned hazardous substance under the Federal Hazardous Substances Labeling Act, or be the subject of a recall as deemed advisable by HSN Improvements LLC to be necessary under the FDA, the Federal Hazardous Substances Labeling Act, or the Consumer Product Safety Act, or any other Federal or State law now in effect or hereinafter enacted, the Vendor agrees that it will take back all existing stock in HSN Improvements LLC or Improvements customers' possession, and will promptly reimburse for such returned articles at the price originally paid, plus costs for return shipment to the Vendor, including all reasonable costs incurred by HSN Improvements LLC in returning such articles from its customers. The determination as to when a recall shall be instituted, as well as the extent and administration of such recall, shall be within HSN Improvements LLC sole discretion, provided that HSN Improvements LLC shall comply with all relevant laws. In the event that HSN Improvements LLC acquires information that requires notification under Sec. 15 of the Consumer Product Safety Act, it is understood that HSN Improvements LLC will promptly notify the Consumer Product Safety Commission and the Vendor, without incurring any liability to the Vendor as a result of such notification.

C. Purchase Order Terms & Conditions. Acceptance of all orders from HSN Improvements LLC, whether by mail, fax, e-mail or other electronic means, is subject to the terms and conditions stated on the face and reverse of the purchase order and PO supplement forms. Failure to comply with the conditions will be considered a breach of contract and subject to charge backs.

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 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 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.

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- Inventroy 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 agree to comply with the requirements as outlined by the **Improvements Catalog Vendor Compliance Manual**. If purchase orders are shipped in any manner not in compliance with the Improvements manual, the vendor will be responsible for all expenses incurred by Improvements Catalog as a result of the non-compliance issue.

Company Representative/ Title (please print)

Signature

Date

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:

Lynne Parent

lp@improvementscatalog.com

16501 Rockside Road

Maple Heights, Ohio 44137

Fax: 216-662-7136