

VENDOR DIRECT FULFILLMENT STANDARDS

1. **RECITALS:** Dealer and Vendor have entered into a Vendor Master Agreement (the “Agreement”) under which Dealer may purchase Products from Vendor for distribution, marketing, and resale. The parties desire to supplement their Agreement with additional terms and conditions applicable only to purchase and sale of Direct Products in accordance with Dealer’s Vendor Direct Fulfillment program. The sections highlighted in these Standards will override the Agreement as they relate to Vendor Direct Fulfillment.

2. **DEFINITIONS:** Unless otherwise provided herein, the capitalized terms used in this Addendum shall have the same meaning and definition as provided in the Vendor Agreement.

“ASN” means advanced ship notification.

“Customer(s)” means the end-user consumer of the Product(s) or Direct Product(s).

“Direct Product(s)” means Products that will be shipped directly to end-users by Vendor on behalf of Dealer or Dealers third party carrier.

“Eligible Customer Direct Product Returns” refers to Direct Products eligible for return under the terms of this Addendum and Vendor Agreement.

“SKU” means a stock-keeping unit.

“Standards” refers to these Vendor Direct Fulfillment Standards to the Agreement.

“Vendor Direct Fulfillment Policy and Procedure Guidelines” refers to the specific standard operating policies and procedures that are unique to Vendor direct fulfillment and may be different to those relevant to core processes based on order and fulfillment method located at <https://partners.bestbuy.com/canada>, or in a location otherwise communicated by Dealer.

3. **SHIPPING:**

3.1 **Shipping Terms and Risk of Loss:** Dealer will determine and identify to Vendor which method of shipping will apply to each shipment on the applicable purchase order:

3.1.1 **Dealer Carrier:** Vendor shall deliver Direct Product in Canada to carrier(s) designated by Dealer using Dealer’s account with carrier(s). Vendor will reimburse Dealer for the shipping cost in the form of a freight allowance or a log as determined in Appendix A2. Dealer shall specify the delivery location and delivery date on the applicable purchase order. Vendor shall intercept fraudulent packages and file tracers, as applicable. Risk of loss or damage and title to Direct Products will pass to Dealer only upon delivery of Direct Products into the possession or custody of Dealer’s carrier at the destination specified by Dealer. Any customer facing documents will identify Dealer as shipper of the product.

For eligible customer Direct Product returns all applicable product purchased via Vendor Direct fulfillment can be returned a) direct to any Best Buy store location and processed under the terms of the Vendor Master Agreement or b) via carrier according to packing slip standards outlined by Dealer to the Best Buy Product Return Center. Undelivered returns should be routed back to the Dealer’s return center. In the event an undelivered shipment is routed back to Vendor, the return should be processed as an authorized return and cost of goods credited to Dealer, credit memo will be mailed to Dealer immediately upon being issued. Vendor agrees to notify Dealer of any undelivered product within 48 hours of receipt. Vendor is responsible for any costs associated with return shipping from Dealer to Vendor.

4. **PAYMENT:**

4.1 **Invoices:** Vendor shall electronically invoice the dealer on the same day the Direct Product is shipped. Such invoice shall contain the cost of goods sold on the purchase order. Invoice credit terms for Direct Product will be the same as for the Product under the Vendor Agreement. The designated credit term shall commence upon receipt of the ASN from Vendor.

4.2 **Offsets:** In addition to the Deduction and Set off language as specified in the Agreement, Dealer may offset any applicable charges not already reflected on the invoice including but not limited to Direct Product returns, and costs incurred by Dealer as a result of Vendor’s breach of this Agreement from any and all Vendor accounts, including non-Direct Product accounts.

4.3 **Purchase Order Pricing:** Purchase price must be negotiated and agreed to by Dealer prior to effective date of price. Vendor must provide Dealer with 30 days written notice of any pricing changes. Any purchase prices that do not comply with the forgoing will not be applicable. Vendor will not reject or delay processing of any purchase orders from Dealer due to pricing discrepancies, provided that the purchase order pricing complies with the current price list.

5. **RETURNS:** In addition to the Return Rights as specified in the Vendor Agreement, Dealer shall have the right to return for full credit or refund of Dealer's cost any Direct Products contained in their original, unopened packaging.

6. **VENDOR DIRECT FULFILLMENT POLICIES AND PROCEDURES:** Other Policies or Procedures that are relevant to doing business with Dealer in a Vendor Direct Fulfillment capacity may be found in the Vendor Direct Fulfillment Policies and Procedures, located on Dealer's extranet site (<https://partners.bestbuy.com/canada>) which may be updated from time to time by Dealer. Vendors will have 30 days to comply with policy changes from the date they are published. By signing this addendum, Vendor acknowledges they have reviewed and can support the Policies and Procedures located on extendingthereach.com.

7. **ADDITIONAL RIGHTS OF DEALER:** Dealer reserves the right at its sole discretion to manage its assortment and order quantities. Dealer does not promise to issue purchase orders for any type or volume of Product and may discontinue business at any time without liability, except as otherwise provided under this Agreement. In the event Vendor fails to meet its obligations under this Addendum, Dealer may take any or all of the following actions as may be appropriate: (i) temporary or permanent removal of a SKU from the assortment, (ii) charge backs for third party costs associated with any such failure, and (iii) termination of this Addendum.

8. **TERM AND TERMINATION:** These Standards may be terminated pursuant to the terms of the Agreement. These Standards shall automatically terminate upon the termination of the Agreement.

9. **CONFIDENTIALITY:** In addition to the requirements set out in the Agreement, Vendor warrants that it will not use any information provided by Dealer pursuant to the terms of the Agreement and these Standards to market directly to Dealer customers.

10. **COMMERCEHUB LINK:** Vendor will sign an agreement with CommerceHub and comply with terms, including but not limited to internet link and payment terms, in the CommerceHub agreement.

11. **WARRANTY OBLIGATIONS:** Vendor is responsible for honoring its warranty obligations, including but not limited to statutory or common law implied warranties, representations or conditions, including without limitation, implied warranties in the Province of Quebec. Any costs or expenses incurred by Dealer relating to Vendor's failure to comply with its warranty obligations will be set off and deducted pursuant to section 29 of the Agreement.