

DROP-SHIP ADDENDUM
TO THE
MERCHANDISE VENDOR TERMS AND CONDITIONS

This Drop-Ship Addendum to the Merchandise Vendor Terms and Conditions (the “**Addendum**”) is incorporated into and supplement the Merchandise Vendor Terms and Conditions and the Merchandise Vendor Agreement (together, the “**Agreement**”) for all Merchandise Orders in which the Vendor delivers such Merchandise directly to Client’s customers or other recipients (“**Drop-Ship Orders**”). The terms and conditions set forth in the Merchandise Vendor Terms and Conditions are applicable to all Orders, including Drop-Ship Orders, provided that in the event of any conflict between the terms and conditions of this Addendum and the Merchandise Vendor Terms and Conditions, this Addendum shall govern all Drop-Ship Orders. Terms not defined in this Addendum shall have the definition given in the Merchandise Vendor Terms and Conditions or the Merchandise Vendor Agreement. The Merchandise Vendor Terms and Conditions can be found at www.radial.com/legal/merchandise-procurement.

1. Sale of Merchandise. Radial may, from time to time, transmit Drop-Ship Orders for Merchandise to Vendor.

(a) Each Drop-Ship Order shall include the following information: (i) the recipient’s name, shipping address and telephone number; (ii) shipping instructions for small package delivery Merchandise (e.g. next day, second day air or ground); (iii) type of delivery service for less-than-truckload (“**LTL**”) Merchandise (i.e. Basic Delivery Service, White Glove Delivery Service or White Glove Delivery Service with Assembly, each as hereinafter defined); (iv) the SKU number and description of the Merchandise ordered; (v) a customer sales number and order form number; and (vi) the name of the retailer, merchandiser, Internet company or media company under which such Merchandise shall be packaged by Vendor pursuant to Section 2(e) hereof.

(b) Within twenty four (24) hours of Vendor’s receipt of a Drop-Ship Order, Vendor shall confirm to Radial that Vendor has received such Drop-Ship Order. Within twenty four (24) hours of shipment by Vendor of the Merchandise, Vendor shall confirm to Radial that Vendor has shipped such Merchandise and shall provide Radial with the information necessary for Radial to track such shipment.

(d) Radial reserves the right to cancel or modify any Drop-Ship Order Orders or any portions thereof, without any liability therefor, at any time prior to shipment by Vendor of Merchandise included in such Drop-Ship Orders.

2. Delivery of Merchandise. All Merchandise ordered by Radial on behalf of Client shall be drop shipped by Vendor to the addresses set forth in the Drop-Ship Orders.

(a) If the Merchandise is to be shipped via parcel delivery, Vendor shall use the parcel delivery service designated by Radial and all charges will be billed on a third-party basis to Radial’s account with such parcel delivery service. Vendor shall not use this account for any shipments other than those made on behalf of Radial under this Agreement.

(b) If the Merchandise cannot be delivered in the manner set forth in Section 2(a), Vendor shall arrange shipment through its freight carrier. All freight carriers used by Vendor must be approved in advance by Radial,

which approval shall not be unreasonably withheld. Vendor shall deliver the Merchandise to the recipient in the manner set forth in the Drop-Ship Orders, as follows:

“**Basic Delivery Service**”, which shall mean delivery of the Merchandise by Vendor to the front door of the dwelling or building where the Merchandise is being delivered; provided, however, that if such dwelling is an apartment building, delivery shall be to the front door of such apartment building;

“**White Glove Delivery Service**”, which shall mean delivery of the Merchandise by Vendor to any room of the dwelling or building where the Merchandise is being delivered; or

“**White Glove Delivery Service With Assembly**”, which shall mean White Glove Delivery Service plus assembly of the Merchandise and removal of all Merchandise packaging and other related debris from such dwelling.

(c) Vendor shall place a label on all packages directing the recipient to immediately open and inspect the Merchandise for damage or defects.

(d) Vendor shall package the Merchandise ordered by Radial for the benefit of the Client hereunder in a manner reasonably designed to prevent damage to such Merchandise. Merchandise shall either be packaged for one-piece, LTL shipping or for small package ground shipping to the

recipient of such Merchandise. In addition, the Merchandise ordered by Radial’s clients hereunder shall be packaged under the name of the retailer, merchandiser, Internet company or media company specified by Radial in the Drop-Ship Order. Radial shall provide initial packing slip schema to Vendor, with Vendor to bear subsequent reproduction costs.

(e) The purchase prices provided by Vendor will separately set forth the Merchandise price and the delivery price, if applicable, which delivery price shall include all applicable taxes, shipping, handling, packaging, crating and cartage charges for delivery to any destination in the U.S., insurance fees, assembly charges, if applicable, and all other costs of any kind, including LTL, Basic Delivery Service, White Glove Delivery Service, and White Glove Delivery Service With Assembly.

3. Available Merchandise. Vendor shall provide Radial with daily reports setting forth the amount of each Merchandise available to Radial. All daily reports from Vendor shall be provided in a form reasonably acceptable to Radial and shall be communicated via the same method that Orders and invoices are exchanged pursuant to the Merchandise Vendor Terms and Conditions.

4. Title to Merchandise. Radial shall at no time have any title or risk of loss for any Merchandise contemplated hereby and Client shall be solely liable (and not Radial) for the payment of all invoices for Drop-Ship orders. As between Vendor and Client, the Parties shall evaluate and determine which party shall maintain title and risk of loss.

5. EDI Only. For all Drop-Ship Orders, the Radial order forms, invoices, shipment confirmations, and other regular order communications will be transmitted electronically via EDI. Radial will not accept paper or email invoices from Vendor unless specifically agreed by Radial. If paper or email invoices are received, Vendors will be contacted to resubmit the invoices electronically via EDI, and payment will be suspended until an electronic invoice is received and processed.

6. Merchandise Returns.
(a) If a defective, damaged and/or below standard Merchandise is delivered hereunder, Vendor shall determine whether the Merchandise can be repaired by delivery of replacement parts to the recipient or by a repair technician. If the Merchandise can be repaired to the full satisfaction of the Client Customer by delivery of such replacement parts or by a repair technician, Vendor shall, at its expense, deliver such replacement parts to the recipient of the Merchandise or dispatch a repair technician, as the case may be. If the Merchandise cannot be repaired by replacement parts or by a repair technician, or if an incorrect Merchandise was shipped to the Client Customer, Radial shall coordinate the retrieval of the Merchandise from the Client Customer. Vendor shall issue to Radial a return authorization and shall coordinate with Radial the shipping of the Merchandise back to the location designated by the Vendor. With respect to defective, damaged, below standard or shipped in error Merchandise which are returned to the Vendor, Vendor shall: (i) deliver to Radial's customer service department

a copy of the return authorization, either electronically or by facsimile, which shall include the customer sales number and order form number for such Order; (ii) credit Radial the full amount of the Purchase Price for such Merchandise, including all shipping and handling costs, including those to retrieve the Merchandise from the Radial Customer as well as to send the Merchandise back to the Vendor; and (iii) deliver to Radial's customer service department, either electronically or by facsimile, confirmation that such credit has been issued. In no event shall such return process take longer to complete than seven (7) days (not including Saturdays, Sundays and national holidays) after Vendor's receipt of the returned Merchandise.

(b) If Radial requests that Vendor provide a return authorization to Radial for any reason other than because the Merchandise is defective, damaged, below standard or shipped in error, Vendor shall issue to authorization and shall coordinate with Radial the shipping of the Merchandise back to the location designated by the Vendor. With respect to Merchandise which are not defective, damaged, below standard or shipped in error and which are returned to the Vendor, Vendor shall: (i) deliver to Radial's customer service department a copy of the return authorization, either electronically or by facsimile, which shall include the customer sales number and order form number for such Order, (ii) credit Radial the full amount of the Purchase Price for such Merchandise; and (iii) deliver to Radial's customer service department, either electronically or by facsimile, confirmation that such credit has been issued.. In no event shall such return process take longer to complete than seven (7) days (not including Saturdays, Sundays and national holidays) after Vendor's receipt of the returned Merchandise.

7. Customer Data. All right, title and interest in and to the information included in each Order shall be owned by Radial/Client and be Confidential Information of Radial/ Client. Vendor shall hold and maintain such Confidential Information in strict confidence and shall not disclose, sell or transfer any of such Confidential Information to any third party, except as set forth in the Merchandise Vendor Terms and Conditions.

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