



## Online Vendor Agreement (Version 1)

PLEASE READ THIS AGREEMENT CAREFULLY. By signing (using the online process) this Agreement on behalf of the applicant vendor named in the online application form for participation in the Best Buy Online Vendor Program (the "Vendor"), you acknowledge and signify the Vendor's acceptance and agreement, without limitation of qualification, to be bound by this Agreement, and you represent and warrant that you have the legal authority to submit the application and to sign and agree to this Agreement on behalf of the Vendor. If the Vendor does not agree with each provision of this Agreement or you are not authorized to sign and agree to this Agreement on behalf of the Vendor, then you may not submit an application on behalf of the Vendor or sign this Agreement on behalf of the Vendor.

If Best Buy in its discretion accepts the Vendor's application to participate in the Best Buy Online Vendor Program, then Best Buy will send a notice to you by email advising you that the Vendor's application has been accepted by Best Buy and confirming the Effective Date of this Agreement. Best Buy is not obligated to accept the Vendor's application, and this Agreement will not be effective unless and until Best Buy accepts the Vendor's application.

1. **RECITALS**: Vendor and Best Buy Canada Ltd., and its affiliates and subsidiaries ("Best Buy") are entering into this Online Vendor Agreement together with the Appendix set out below, which is incorporated into this Agreement by reference ("Agreement") to set forth the terms and conditions applicable to Best Buy's purchase of products (the "Products") from the Vendor for resale to end consumers and commercial buyers (the "Customers") through Best Buy's sales channels including but not limited to its present and future Best Buy™ and Future Shop™ retail stores and Internet web sites. For clarity, "Products" will include all packaging and any related materials accompanying the Products.

2. **AGREEMENT GOVERNS**: Unless otherwise agreed to in writing between the parties with an express reference to superseding the provisions of this Agreement, all Product purchase orders placed with the Vendor by Best Buy are subject to the terms of this Agreement and any additional terms and conditions found on Dealer's purchase order, even if: (a) the purchase orders do not reference this Agreement; and (b) there are conflicting, inconsistent or additional terms in the Vendor's acceptance or confirmation documentation or any of the Vendor's standard forms or agreements, whether or not signed, used, acknowledged or otherwise accepted by Best Buy, either before or after the date of this Agreement.

3. **APPLICATION TO BEST BUY'S DIVISIONS, SUBSIDIARIES AND AFFILIATES**: Best Buy is composed of multiple divisions representing separate brand identities, in addition to several subsidiaries and affiliates. Vendor agrees that each division, subsidiary or affiliate will have the right to purchase Products from the Vendor pursuant to the terms of this Agreement and will collectively be considered the "Best Buy" for all purposes under this Agreement.

4. **APPLICATION TO CUSTOMERS**: Best Buy has no control over the exact use or disposition of the Vendor's Products by the Customers, and Best Buy will have no liability or obligation to the Vendor in any such respect under this Agreement or any other agreement between Best Buy and the Vendor.

5. **PURCHASING OBLIGATIONS**: Best Buy will have no obligation or liability to purchase all or any particular volume of any type of Products or parts from the Vendor. Best Buy does not guarantee, and is not obligated to issue, any particular number or type of purchase orders with the Vendor. Best Buy will not be liable to the Vendor for loss of business or revenues, or excess inventory, if Best Buy's purchase orders do not meet the Vendor's expectations.

6. **CUSTOMER INFORMATION**: Best Buy is not required to maintain any records respecting the use or resale of the Products except for the records that it currently maintains, and will not be required to disclose such records to the Vendor. Best Buy may provide summarized information of a general nature on a confidential basis to be used solely for the Vendor's market forecasting and scheduling requirements.

7. **VENDOR CONTENT AND SAMPLES**: Vendor will provide Best Buy with Product information relating to the marketing, sales and servicing of the Products, including without limitation, Product specifications, facts, claims, advertisements,

images, and other textual, graphical, multimedia or other content regarding the Products ("Vendor Content"). Vendor hereby grants Best Buy a license to use, exhibit, excerpt, reformat, modify, reproduce, publish, publicly perform and transmit via the Internet and otherwise use such Vendor Content for the purpose of advertising and promoting the Products. Vendor will provide to Best Buy, at no charge, Product samples, adequate copies of any marketing and technical information, service manuals, detailed Product specifications, end-user warranties and other Product data and materials.

8. **BRAND NAME USAGE:** Best Buy will be entitled to make reasonable non-exclusive use of the trademarks and trade names associated with the Products (the "Marks"), for purposes of Best Buy's normal product marketing, advertising, servicing and sales activities, subject to any reasonable directions, guidelines or policies communicated by the Vendor (or by the owner of the Marks) to Best Buy. If the Vendor is not the owner of the Marks, then the Vendor will obtain the necessary permission from the owner of the Marks to enable Best Buy to use the Marks in accordance with this provision. Upon termination of this Agreement, Best Buy may continue to advertise and promote the Products, using the Vendor's trademarks, trade names and Vendor Content until inventory depletion.

9. **COMPETITIVE PRODUCTS:** The Vendor acknowledges that Best Buy markets and sells a wide variety of goods, some of which may be competitive with the Products. Best Buy's relationship with the Vendor will not restrict any such marketing and sales activities by Best Buy.

10. **FINANCIAL STABILITY:** The Vendor will from time to time provide such financial and business information as may be reasonably requested by Best Buy, to establish to Best Buy's satisfaction that the Vendor: (a) is financially stable; and (b) has the resources and capabilities necessary to meet the Vendor's current and future Product supply and applicable warranty and service obligations to Best Buy and its Customers under the terms of this Agreement. At the Vendor's request, Best Buy will keep all such financial information confidential and will not disclose it to any other party other than its professional advisors.

11. **INSURANCE:** The Vendor will, at the Vendor's own expense, maintain comprehensive general liability insurance including, without limitation, product liability insurance, all risks coverage and business interruption insurance in amounts reasonably satisfactory to Best Buy, naming Best Buy as an additional insured, to protect against claims for personal injury, death, property damage or otherwise, arising out of or in connection with the marketing, sale, use or service of, or other dealings related to, the Products. The insurance policy will contain a provision prohibiting its cancellation or any amendments without 30 days prior written notice to Best Buy. Vendor will procure and maintain throughout the term of this Agreement Umbrella coverage of not less than five million dollars (\$5,000,000). The insurance required hereunder will be issued by an insurance company or companies authorized to do business in the Canada. Vendor's insurance will be primary and required to respond to and pay claims prior to other coverage. At the request of Best Buy from time to time, the Vendor will provide Best Buy with a certificate of insurance as evidence of the above.

12. **CONFIDENTIALITY:** This Agreement and any information marked as confidential or, regardless of form (written/electronic/oral) or marking, is of the nature that a reasonable person would understand its owner would not want it disclosed to the public will be considered to be Confidential Information. Further, Confidential Information will also include (a) any document or data transaction between the parties; (b) matters of a technical nature such as trade secret processes or devices, know-how, data, formulas, inventions (whether or not patentable or copyrighted), specifications and characteristics of products or services planned or being developed, and research subjects, methods and results, (c) matters of a business nature such as information about costs, profits, pricing, policies, markets, sales, suppliers, customers (e.g., names and addresses), product plans, and marketing concepts, plans or strategies, (d) matters relating to project initiatives and designs, (e) matters of a human resources nature such as employment policies and practices, personnel, including individual names, addresses, and telephone numbers; compensation and employee benefits, (f) other information of a similar nature not generally disclosed to the public. Each party agrees not to disclose Confidential Information except to employees, or a third party subject to a similar confidentiality agreement, which have a need to know to perform their responsibilities. Each party agrees to take at least the same precautions to protect Confidential Information as such party would utilize to ensure the protection, confidentiality and security of its own confidential information. Each Party, at its own expense, will properly use security procedures which are reasonably

sufficient to ensure that all transmissions of documents are authorized and to protect its business records and data from improper access. Confidential Information will not include any information which (a) is or becomes generally known or available through no act or failure to act by the receiving party; (b) is already known by the receiving party as evidenced by its written records; (c) is hereafter rightfully furnished to the receiving party by a third party without restriction on disclosure; or (d) is disclosed in response to a valid order by a court or other governmental body, provided that the receiving party provides the disclosing party with prior written notice of such disclosure as soon as reasonably possible in order to permit the disclosing party to seek confidential treatment of such information. Vendor warrants that it will not use any information provided by Best Buy pursuant to the terms of the Agreement to market directly to Best Buy customers. Upon the expiration or earlier termination of this Agreement, a party may, in writing, request either the prompt return or destruction, and a written certification of such destruction, of any Confidential Information provided to the other party.

13. **REPOSSESSION**: The Vendor will not seize any Products in the possession of Best Buy or its affiliates, their agents or Customers, or garnishee any funds or assets of Best Buy or its affiliates, without a final order of a Court of competent jurisdiction, obtained with prior notice to Best Buy, after all appeal periods with respect to such order have lapsed or otherwise been exhausted.

14. **SECURITY INTERESTS**: The Vendor acknowledges that there is no security interest or other encumbrance granted by Best Buy to the Vendor in the Products, and that all Products are free from all security charges, encumbrances and claims by the Vendor and by all third parties claiming through the Vendor. The Vendor will not register or otherwise attempt to apply a security interest in the Products.

15. **INDEPENDENT CONTRACTOR**: The Vendor is an independent contractor and not an agent or employee of Best Buy. Best Buy does not grant or agree to grant to the Vendor, and the Vendor will not have, any power of attorney, agency or other authorization to bind Best Buy or to act on its behalf in any manner.

16. **REPRESENTATIONS/WARRANTIES**: The Vendor represents and warrants to Best Buy that: (a) the Products and Vendor Content delivered to Best Buy do not infringe any patent, trademark, copyright or other proprietary rights; and (b) the Products will be free from defects in material and workmanship, and will be fit and safe for the use(s) normally and reasonably intended; (c) the Products are of merchantable quality and will perform in conformance with specifications and Vendor samples; (d) it will provide a manufacturer's warranty to end-users of the Products that is generally consistent with or superior to industry standards; and (e) the Products are not produced, manufactured, assembled or packaged by the use of forced labor, prison labor or forced or illegal child labor and that the Products were not trans-shipped for the purpose of mislabeling, evading quota or country of origin restrictions or for the purpose of avoiding compliance with forced labor, prison labor or child labor laws.

17. **COMPLIANCE WITH ALL LAWS**: In providing the Products and Vendor Content to Best Buy and performing its other obligations under this Agreement, the Vendor will comply with all applicable laws including, without limitation, the requirement to provide bilingual (French & English) labeling/documentation; any applicable product safety laws; any applicable requirements of the Canadian Standards Association, Industry Canada (including without limitation ICES-003, RSS-210, RSS-310, BETS-7 and RSP-100, and RSS-GEN); payment for blank media or other government or industry mandated taxes, levies or fees, and all environmental stewardship, deposit, packaging and waste levies and similar requirements (collectively "Levies"); for Products delivered to or sold through Best Buy in Canada. Vendor will reimburse Best Buy for any Levies related to the Products paid or payable directly or indirectly by Best Buy or its agents or representatives except for those Levies that Best Buy agrees to collect from the final customer, notwithstanding that Vendor may not be directly or indirectly liable for such Levies as a result of its non-resident or other status.

18. **INDEMNITY**: The Vendor will indemnify and save Best Buy, its parent, subsidiaries and affiliates, and their respective customers, employees, directors, officers and agents harmless from and against all costs, expenses (including legal fees), damages, actions, causes of action, suits, claims, liabilities and judgments, which may be suffered or incurred by them, relating to (a) Vendor's breach of this Agreement, including but not limited to its representations and warranties; (b) acts or omissions of Vendor relating to the Products which includes, but is not limited to claims that the Products, or use thereof, caused personal injury, death, or real or personal property damage; (c) a Product recall, whether or not initiated

by Vendor; (d) claims that the Products or any Vendor Content provided by Vendor or its agents infringes, misappropriates or injures a third party's intellectual property or proprietary rights; (e) false or misleading Product specifications or other Vendor Content provided to Best Buy to promote and sell the Products; (f) claims that the Products or any particular Product do not satisfy any statutory or common law implied warranties, representations or conditions, including without limitation, implied warranties in the Province of Quebec; (g) non-compliance with any laws, rules or regulations, including without limitation the language requirements of the Province of Quebec, all labeling, product certification and non-interference requirements, resulting from the Products or the sale or use of the Products in Canada; and (h) Vendor's failure to promptly perform its obligations in connection with a manufacturer's rebate offer. If a claim by a third party is made against Best Buy, Best Buy will promptly notify Vendor of such claim but failure to give timely notice will not affect Best Buy's rights provide the failure does not adversely affect vendor's ability to defend such claim. Vendor will assume the defense thereof, with counsel selected by Vendor and reasonably satisfactory to Best Buy. Vendor will have control of the defense of any such action (other than administrative, criminal or quasi-criminal proceedings), including any appeals and negotiations for the settlement or compromise thereof and will have full authority to enter into a binding settlement or compromise; provided that, Vendor will not enter into any settlement or compromise which may adversely affect Best Buy without the Best Buy's consent, which consent will not be unreasonably withheld.

19. **LIMITATION OF LIABILITY:** Best Buy's aggregate liability to the Vendor for any and all claims of any kind relating to the Products, will not exceed the unpaid price of those Products which directly give rise to, or are related to, the claims whether based on contract, negligence, strict liability, tort or otherwise.

20. **RISK OF LOSS:** Risk of loss or damage and title to the Products will pass to Best Buy only upon delivery of the Products into the possession or custody of Best Buy or Best Buy's carrier as applicable at the destination specified by the Best Buy.

21. **SHIPPING TERMS:** Shipping terms for all shipments under this Agreement shall be Delivered Duty Paid, as per the International Chamber of Commerce's Incoterms 2010, at the destination specified by Best Buy. For clarity, Vendor shall be responsible for clearing the goods for export and for making them available to Best Buy at the named place of destination (point of delivery), cleared for import (Customs clearance, duties and taxes paid), but not unloaded from the transport vehicle. Vendor will follow the terms and conditions stated in the shipping operational guidelines, found at [www.extendingthereach.com/wps/portal](http://www.extendingthereach.com/wps/portal), which are a part of this Agreement and incorporated herein by reference and may be modified or amended from time to time. Best Buy requires foreign vendors of imported goods to scrutinize and, where necessary, develop sufficient security measures within their own supply chain. Vendor represents and warrants that all information provided by Vendor regarding the country of origin of the Products is true and correct as defined by the applicable law of the jurisdiction of destination for the Product. Vendor will be listed as the Importer of Record. Vendor shall deliver Vendor Direct Product in Canada to carrier(s) designated by Best Buy using Best Buy's account with carrier(s). Vendor will reimburse Best Buy for the shipping cost in the form of a freight allowance or a log as determined in the Appendix. Best Buy shall specify the delivery location and delivery date on the applicable purchase order. Vendor shall intercept fraudulent packages and file tracers, as applicable. Any customer facing documents will identify Best Buy as shipper of the product.

22. **WARRANTY SERVICE:** The Vendor agrees to adhere to the Warranty Service and Return Procedures found at [www.extendingthereach.com](http://www.extendingthereach.com), which are a part of this Agreement and incorporated herein by reference and may be modified or amended from time to time, in connection with the Products, whether or not the Vendor is the manufacturer of the Products. The terms specific to each Product or Product line will be set out in a separate Reverse Logistics Program in the form set out as Returns and Warranty Programs laid out on pages below to this Agreement. If the Vendor is not the manufacturer of the Products, then the Vendor will obtain the necessary covenants and agreements from, and make any necessary arrangements with, the manufacturer of the Products to enable: (a) Best Buy and its Customers to deal directly with the Vendor, as though the Vendor were the manufacturer of the Products, on all warranty matters during the Products' warranty periods and all other service matters during the Products' expected lifetimes; and (b) the Vendor to comply with the terms of this provision. The Vendor agrees to honor all valid warranty claims and other warranty obligations to the Customers during the Products' warranty periods, including without limitation any statutory or common law implied warranties, representations or conditions, including without limitation,

implied warranties in the Province of Quebec, and to otherwise service the Products during their expected lifetimes, notwithstanding the termination or expiration of this Agreement. If the Vendor does not honor its warranty obligations, then Best Buy has the right, but not the obligation, to undertake and continue the Vendor's Product warranty and service obligations to support Best Buy's Customers, at the Vendor's expense, and to offset the costs thereof against any amounts due to the Vendor.

23. **FAILURE TO PERFORM**: If the Vendor should fail to perform the Vendor's warranty obligations under paragraph 22, then: (a) upon the request of Best Buy, the Vendor will provide Best Buy with a guarantee, in a form acceptable to Best Buy, from the Vendor's affiliate or from another party acceptable to Best Buy, guaranteeing the payment and performance of the Vendor's warranty obligations to Best Buy and the Customers throughout the Products' warranty periods; and (b) Best Buy may hold back a sufficient portion of any amount owing by Best Buy to the Vendor, and apply such amount against any costs or expenses incurred by Best Buy in connection with covering the Vendor's warranty obligations under this Agreement. All such holdback amounts that are not so applied by Best Buy will be returned to the Vendor upon the expiry of the applicable warranty periods.

24. **PARTS SUPPLY**: During the term of this Agreement and for a period of five years following termination thereof, Vendor will promptly supply equivalent replacements parts for the Products to Best Buy. The cost for such parts will be equal or less than the lowest cost such parts are provided to any other third party.

25. **RETURN PRODUCT**: The Vendor will grant Best Buy an open "Return Material Authorization" for Products: (a) in those cases stipulated in the Warranty Service and Return Procedures, and otherwise perform its return obligations in accordance with the specifications set out in the Appendix laid out on pages below and the Warranty Service and Return Procedures set out at [www.extendingthereach.com](http://www.extendingthereach.com); (b) that are the subject of a third party claim of intellectual property right infringement; (c) that are not developed, manufactured, supplied, packaged, or labeled in accordance with the specifications set out in this Agreement, including without limitation, all applicable laws, rules, regulations, industry standards, language requirements and certifications; (d) that are shipped in error or in non-conformance with Best Buy's purchase order; (e) that have caused injury to person or property; (f) that are damaged; (g) are returnable as a Defective Product; and (h) contained in their original, unopened packaging. For purposes of this Agreement, "Defective Product" means any Product that is visually or operationally defective and Product that has been returned and deemed defective by a customer in accordance with Best Buy's end-user return policy. Best Buy's end-user return policy allows for the return of most Products with or without cause for a specified period after purchase, regardless of whether the packaging has been opened or whether the Product is actually defective. If the Vendor fails to perform any of its return obligations, then Best Buy may store the Products that would have been returned to the Vendor had an open Return Material Authorization been issued, and, if the Return Material Authorization is not issued to Best Buy within 30 days, then Best Buy may deduct from any amounts owing to the Vendor the cost of such Products and an additional charge for storing and disposing of such Products in its warehouse. Best Buy may dispose of such Products without liability to Vendor 30 days following written notice to Vendor of Vendor's failure to accept the return Product. All Products returned to the Vendor by Best Buy will be credited by the Vendor to Best Buy's account. All Products returned to the Vendor by Best Buy (other than overstock) will be shipped to the Vendor at the Vendor's complete expense, on a carrier chosen by the Vendor, and if the Vendor fails to choose a carrier, then on a carrier chosen by Best Buy. All overstock Products returned to the Vendor by Best Buy will be shipped to the Vendor at Best Buy's expense. If the parties agree to a return allowance, such allowance will replace Best Buy's right to return Products as provided herein, except that if the actual return rate for a particular Product exceeds the applicable allowance, Best Buy may either adjust the allowance accordingly or return the excess Product to Vendor for full credit or refund. A return allowance will have no effect upon Best Buy's return rights as otherwise provided in this agreement. Vendor and Best Buy agree that no GST, HST or QST, as applicable, will be applied to debit or credit notes issued for returns.

For eligible Customer Vendor Direct Product returns all Product purchased via Vendor Direct fulfillment can be returned a) direct to any Best Buy store location and processed under the terms of this Agreement or b) via mail according to packing slip standards outlined by Best Buy to the Best Buy Product return Center. Undelivered returns should be routed back to the Best Buy'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 Best Buy, credit memo will be mailed to Best

Buy immediately upon being issued. Vendor agrees to notify Best Buy of any undelivered product within 48 hours of receipt.

26. **REMOVAL OF IDENTIFICATION AND INFORMATION**: Vendor is responsible for removal of all personal information including, but not limited to, sales receipts, addresses, phone numbers, images, files, credit card numbers and other information belonging to customers or otherwise residing on any Products (collectively "Customer Information" ) returned by Best Buy to Vendor ("Return Products"). Vendor is responsible for expunging Customer Information in a manner which ensures that it cannot be recovered. Vendor agrees to remove from any Return Products prior to their sale, transfer, or disposal: (a) all Customer Information; (b) in the event that any of the Return Products are computers or other consumer electronics containing memory or other storage (for example: cellular telephones, PDAs, digital cameras, hard drives, digital media, video cameras, MP3 Players, and gaming consoles), Vendor agrees to delete all files and other information contained thereon, except for the standard software programs or chips originally installed by the manufacturer of such Return Products provided such standard software programs or chips do not contain Customer Information; and (c) all Best Buy identification marks including, but not limited to: labels, sku numbers and bar codes. Vendor agrees to indemnify and hold Best Buy harmless from and against any third party claims, demands, actions or causes of action arising out of or in connection with Vendor's subsequent sale, transfer or disposal of the Return Products or the failure of Vendor to meet its obligations under this Section. Vendor agrees to comply with all provincial, federal and local rules and regulations with respect to the sale, transfer and disposal of the Return Products. This section will survive the termination or expiration of this Agreement.

27. **PROGRAM TERMS AGREEMENT**: Best Buy and Vendor may agree upon certain business terms from time to time concerning matters such as Products, pricing, market development and cooperative advertising funds, invoice credit terms, stock rotation, volume rebates, new store allowances, etc. Such terms will be contained in the Appendix, as amended from time to time by the parties. A separate Program Agreement may be entered into between the parties with respect to particular Product categories, or to distinguish terms relating to purchases made on behalf of a particular division, affiliate or subsidiary of Best Buy. In the event of conflict between business terms of any Program Agreement and this Agreement, the business terms contained in such Program Agreement will control.

28. **PAYMENT TERMS**: Payments terms are specified in Program Terms. Payment shall not be considered late by Vendor if payment is sent by Best Buy within one (1) week of the due date or if payment is delayed because of an indebtedness of Vendor to Best Buy. Payment will be transmitted to vendor via EFT (Electronic Fund Transfer). Vendor to enroll via Best Buy's website at [www.extendingthereach.com](http://www.extendingthereach.com). Vendor shall electronically invoice Best Buy on the same day Vendor Direct Product is shipped. Such invoice shall contain the cost of goods sold on the purchase order. The designated credit term shall commence upon receipt of the advances shipment notification from Vendor.

29. **SET OFF**: Any sums owing or payable to the Vendor by Best Buy will be subject to any claims and defenses made by Best Buy against the Vendor. Best Buy may set off and deduct against such sums all present and future amounts owing by the Vendor to Best Buy, whether arising under this Agreement or otherwise, including without limitation, all expenses, costs and damages incurred by Best Buy in connection with the Products as a result of the Vendor's acts, omissions or negligence. Best Buy may create and hold a reserve from amounts owing to Vendor against anticipated liabilities owing by Vendor to Best Buy, including without limitation any liabilities in respect of future warranty and indemnity obligations.

30. **DEDUCTIONS**: The Vendor agrees that all invoice discrepancies, returns, promotional funds and coop and volume discounts will be deducted from any amounts owing by Best Buy to the Vendor.

31. **DEBIT BALANCES**: The Vendor agrees that when the Vendor is in a debit balance on Best Buy's accounts, then the Vendor will deduct the amount owed to Best Buy from the Vendor's next invoice to Best Buy or, within 30 days of a request from Best Buy, the Vendor will deliver a cheque to Best Buy for the full amount of the debit balance. In no event will Best Buy be obligated to take a credit against future purchases.

32. **REMEDIES**: No exercise of any right or remedy by Best Buy will preclude Best Buy from exercising either independently or in combination, any other right or remedy available to Best Buy by operation of law or otherwise. In



the event Vendor fails to meet its obligations in this Agreement, Best Buy 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 the Agreement. The exercise by Best Buy of any such right or remedy will not result in Best Buy having any liability for any resulting loss or damage to the Vendor or the Vendor's business.

33. **PURCHASE ORDER TERMS**: Shipment of Products by the Vendor in response to a Best Buy purchase order will be deemed to be acceptance by the Vendor of the prices, quantities, expected delivery date and other additional terms set out in the purchase order. If the Vendor does not agree with the purchase order terms, then the Vendor must obtain an amended purchase order from Best Buy before shipping the Products to Best Buy. Best Buy is not obligated to receive or accept Products shipped against a purchase order when the terms and conditions of the purchase order have not been met by the Vendor. Best Buy may amend or cancel any purchase order delivered to the Vendor at any time prior to the shipment by the Vendor to Best Buy of the Products specified in the purchase order. All Vendor invoices must be sent via Electronic Data Interchange (EDI) to Best Buy. Purchase price for Vendor Direct Product must be negotiated and agreed to by Best Buy prior to effective date of price. Vendor must provide Best Buy with thirty (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 Best Buy due to pricing discrepancies, provided that the purchase order pricing complies with the current price list.

34. **INTEREST**: If the Vendor is in default of any of the terms of this Agreement, or if the Vendor is in a debit balance on Best Buy's accounts (which debit balance cannot be offset against any amounts owing by Best Buy to the Vendor) then the Vendor will pay Best Buy interest at the rate of 2% per month (24% per annum), calculated monthly and not in advance, on all amounts owing by the Vendor to Best Buy until paid in full by the Vendor including, without limitation, on any expenses, costs, legal fees or disbursements incurred by Best Buy as a result of or in connection with such default.

35. **DISCONTINUED PRODUCTS**: A "Discontinued Product" will mean any Product that Vendor has stopped manufacturing or any Product that undergoes a change in appearance or packaging. Vendor agrees to provide Best Buy with at least 90 days advance written notice of the occurrence of a Discontinued Product, or as soon as possible in the event that the discontinuance is caused by actions taken by a supplier of Vendor. Upon notice of a Discontinued Product, Best Buy may, without penalty or liability, cancel any outstanding purchase orders pertaining to the Discontinued Product. With respect to Best Buy's existing inventory of Discontinued Product, Best Buy may, in its sole discretion, either return such Discontinued Product at any time to Vendor for full credit or refund, or Vendor and Best Buy will negotiate a cost markdown of such existing inventory.

36. **OPERATIONS STANDARDS**: Other terms that are relevant to doing business with a particular division, affiliate or subsidiary of Best Buy may be found in operational guidelines published on [www.extendingthereach.com](http://www.extendingthereach.com), which are a part of this Agreement and incorporated herein by reference. Operational guidelines include but are not limited to Routing and Shipping Guides, Warranty Service and Return Procedures, Vendor Direct Fulfillment Policies and Procedures, Accounting Guidelines, Vendor Claims Guidelines, SKU Set Up Policy and Guidelines, all of which may be updated from time to time by Best Buy upon notice to Vendor. Vendor will have thirty (30) days to comply with policy changes from the date they are published. Vendor acknowledges it has reviewed and can support the operations standards located on [www.extendingthereach.com](http://www.extendingthereach.com).

37. **TERM**: The term of this Agreement will be for a period of one year commencing on the date of acceptance of Vendor's application by Best Buy by email (the "Effective Date"). This Agreement will be automatically renewed for successive 12-month periods unless it is earlier terminated in accordance with the provisions of section 38 below.

38. **TERMINATION**: This Agreement may be terminated by either party at any time upon 30 days prior written notice to the other. This Agreement may be terminated immediately by either party upon written notice to the other if the other party: (a) is wound-up or dissolved or otherwise ceases to carry on business; (b) becomes bankrupt or insolvent; (c) makes an assignment for the benefit of its creditors or proposes a composition or arrangement with its creditors generally; or (d) appoints a receiver or a receiver-manager (or if one is appointed) to the other party or any of its assets.

The provisions of sections 8, 12, 13, 14, 16, 17, 18, 19, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 34, 35, 36, 38, 40, 41, 42, 44, 45 and 46 will survive the termination of this Agreement.

39. **ENGLISH LANGUAGE**: This Agreement and all related documents have been drawn up in the English language at the express wish of the parties. Le présent contrat et tous les documents reliés ont été rédigés en langue anglaise à la demande expresse des parties.

40. **GOVERNING LAW; JURISDICTION**: This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario, and the laws of Canada applicable in Ontario, which will be deemed to be the proper law of this Agreement. Any dispute arising from, connected with or relating to this Agreement or any related matters must be resolved before the Courts of Ontario sitting in the City of Toronto, and the parties hereby irrevocably submit to the original and exclusive jurisdiction of those Courts in respect of any such dispute or matter.

41. **ASSIGNMENT**: This Agreement may not be assigned by the Vendor either directly or indirectly, by way of an amalgamation, by operation of law or otherwise, without the prior written consent of Best Buy, and any attempt to do so will be void and of no effect. If the Vendor is not a publicly traded company, then a change of the Vendor's voting control will be deemed to be an assignment for purposes of this Agreement.

42. **ANTI-CORRUPTION**: Vendor agrees that neither it, nor anyone acting on its behalf, will violate any anti-bribery or anti corruption laws or international anti-bribery standards, regardless of their technical applicability to Vendor and including but not limited to the Canadian Corruption of Foreign Public Officials Act. Specifically, Vendor agrees that it will not, directly or indirectly, pay, promise or offer to pay, or authorize the payment of any money or anything of value to: a) an officer, employee, agent or representative of any government, including any department, agency or instrumentality of any government or any government-owned or government controlled entity or any person acting in an official capacity on behalf thereof; or b) a candidate for political office, any political party or any official of a political party; or c) any other person or entity while knowing or having reason to believe that some portion or all of the payment or thing of value will be offered, given or promised, directly or indirectly, to any person or entity described above for the purpose of influencing any act or decision of such government official, political party, party official, or candidate in his or its official capacity, including a decision to do or omit to do any act in violation of the lawful duty of such person or entity, or inducing such person or entity to use his or its influence with the government or instrumentality thereof to affect or influence any act or decision, in order to assist Best Buy or Vendor in the promotion, marketing or sale of Products under this Agreement. In addition, no payment shall be made to anyone for any reason on behalf of or for the benefit of Best Buy which is not properly and accurately recorded in the Intermediary's books and records, including amount, purpose and recipient, all of which shall be maintained with supporting documentation.

43. **COMMERCE HUB**: Vendor will enter into an agreement with CommerceHub and complying with terms, including but not limited to internet link and payment terms, in the CommerceHub agreement.

44. **AUDIT**: Best Buy may, upon reasonable written notice to Vendor, audit Vendor's legal compliance, processes, locations and standards relating to the Products and the terms of this Agreement, including but not limited to Vendor's product safety and certification compliance. Such audit will be conducted during regular business hours at the location specified by Best Buy. Such audit may be conducted by Best Buy alone or together with qualified individuals experienced in such audits, at the option of Best Buy. In the event of any such audit, Vendor will extend reasonable cooperation to Best Buy, including, without limitation, providing all reasonable documentation required to complete the audit. Upon Best Buy's request, Vendor will provide Best Buy with copies of any testing certificates Vendor has received for the Products. If Vendor cannot provide testing certificates for the Products, Best Buy may request that Vendor perform such tests. Best Buy, in its sole discretion, deems necessary, at Vendor's cost. Should such audit reveal that Vendor is not in compliance with its obligations pursuant to this Agreement or if Vendor is unable to provide a testing certificate for the Products, Best Buy may, at its sole discretion, terminate this Agreement immediately or require Vendor to bring itself into compliance within a timeframe established by Best Buy.

45. **NOTICES**: All notices, requests, demands and other communications which are required or may be given under this Agreement will be in writing and will be deemed to have been duly given if hand-delivered or mailed by either registered



or certified mail, return receipt requested, or by a nationally recognized overnight courier service, receipt confirmed. In the case of notices via first-class mail or courier service, notices will be deemed effective upon the date of receipt. Notices will be addressed to the parties as set forth below, unless either party notifies the other of a change of address, in which case the latest noticed address will be used:

**Notices to Best Buy:**

Best Buy Canada Ltd.  
8800 Glenlyon Parkway  
Burnaby, BC  
V5J 5K3  
Attn: Senior VP, Merchandising  
Copy to: Legal Services Department

**Notices to Vendor:** will be sent to address entered in the "New Vendor Questionnaire".

46. **GENERAL:** This Agreement, including any website references, addenda or exhibits attached hereto or incorporated by reference, contains the entire Agreement between the parties with respect to the subject matter hereof, supersedes all prior agreements, negotiations and oral understandings, if any, and may not be amended, supplemented, or modified by Vendor without an amendment in writing and signed by authorized representatives of Best Buy. Best Buy may amend this Agreement upon prior written (via email) notice to Vendor. Vendor may terminate this Agreement pursuant to section 38 if such amendment is unacceptable to Vendor. The headings appearing in this Agreement are for convenience of reference only and in no way limit or enlarge the interpretation or meaning of this Agreement. If any provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, such provision will be more narrowly and equitably construed so that it becomes legal and enforceable, and the entire Agreement will not fail on account thereof and the balance of the Agreement will continue in full force and effect. Any of the provisions of this Agreement may be waived by the party entitled to the benefit thereof. Neither party will be deemed, by any act or omission, to have waived any of its right or remedies hereunder unless such waiver is in writing and signed by the waiving party, and then only to the extent specifically set forth in such writing. A waiver with reference to one event will not be construed as continuing or as a bar to or waiver of any other right or remedy, or as to a subsequent event. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. Each of the parties hereto has been represented by its own counsel. In the event of a dispute, no provision of this Agreement will be construed in favor of one party and against the other by reason of the draftsmanship of this Agreement. Time will be the essence of this Agreement. A copy of this Agreement will be emailed to the email address entered in the "New Vendor Questionnaire"

**Appendix**

**Payment Terms:**

- Net 45 days, based on date of receipt of goods
- Currency: CAD \$ (Note: a Canadian currency account is required)

**Program Terms**

Advertising Coop: 3%, accrued monthly  
Freight Allowance: 8%, accrued monthly

**IMPORTANT:** *The accrued programs will be calculated and billed based on Best Buy's Net Purchases. Net Purchase equal purchases less returns less price protection. The billing cycle refers to BBY Fiscal Calendar. All programs will have an Effective Date of the account set-up date. The programs will be permanent from the Effective Date until new allowances are negotiated at which time a Vendor Program - Appendix A2 will require vendor signature.*

**Returns:**

Vendor accepts Defective Returns, Open Box Returns, and Factory Fresh Returns.

- RTV Days Defective: 30
- RTV Days Open Box: 30

**Warranty Program:**

- Product warranty: at vendor's discretion (min. 30 days)

*\*Warranty:* A standard warranty that's offered by the vendor to the customer and excludes any extended warranties either purchased or offered with registration or enhanced services. Warranty days should align with details printed on the warranty information included with customer's product.

- Warranty type: CCV (Customer Contacts Vendor) by telephone

Note: Customers are not to incur any costs for warranty support. If customer shipping is required, shipping costs both to and from Vendor's service location must be covered by the Vendor and the service location must be within Canada. Customer telephone support must be available in English and French by means of a toll-free number.

Dealer is not liable for damages to goods being shipped back to Vendor as part of the return to vendor process. This applies to all furniture, appliances and home decor products purchased by Dealer from Vendor. All products returned to Vendor by Dealer will be credited by Vendor to Dealer's account without discount or set off.