



Dropship Vendor Setup

Dropship Vendor Setup Form Instructions

1) Dropship Vendor Data Request Sheet

The vendor that is being considered for dropship capabilities will fill out this form and return it to the appropriate Merchandising team member.

2) Operations Authorization Form

The member of the Merchandising team that is responsible for this vendor will fill out all of the appropriate fields and present it to the Operations team (Howard Fox) for approval. Upon approval the operations team will return the form to merchandising.

3) Vendor Maintenance Form

The member of the Merchandising team that is responsible for this vendor will fill out all of the appropriate fields.

4) Vendor Merchandise Agreement

The vendor will write in the appropriate fields, sign and date the document.

5) Trademark and Logo Agreement

The vendor will write in the appropriate fields, sign and date the document.

Once all the forms are complete they are to be compiled along with the Certificate of Liability Insurance and Vendor Financial Statements (P&L, Balance Sheet, Cash Flow Statement) (See Dropship Vendor Checklist) and presented to Accounts Payable.

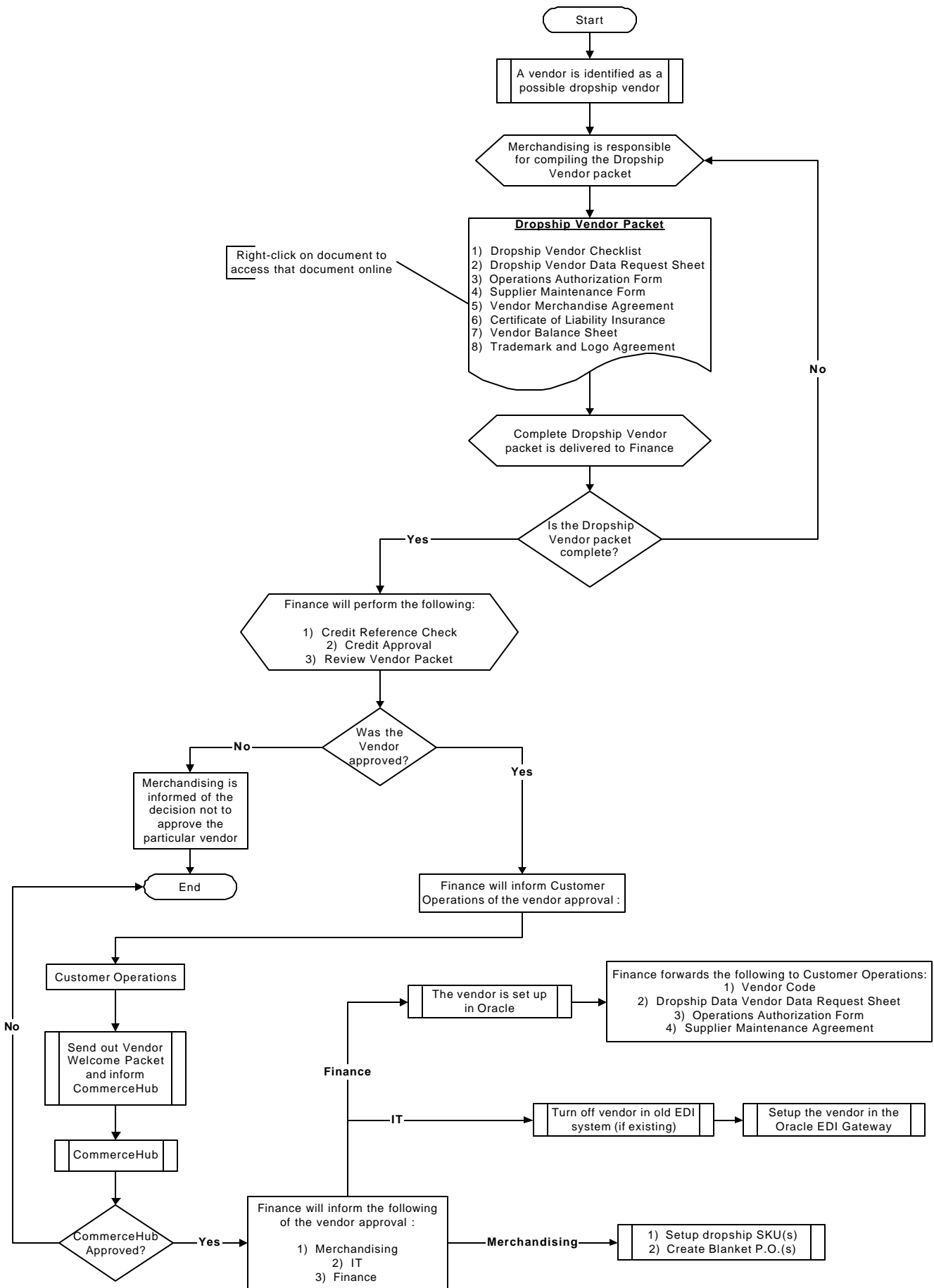
CommerceHub Introduction

ShopNBC has partnered with CommerceHub, a leading provider of drop-ship solutions. The CommerceHub application will improve the timeliness, accuracy and availability of the purchase order information throughout the supply chain. In addition, CommerceHub will give ShopNBC greater visibility and control over the remote fulfillment process and make it easier for vendors like you to communicate electronically with ShopNBC.

CommerceHub's Drop-Ship Master product will provide ShopNBC with real-time visibility into the purchase order fulfillment process and ultimately improve the level of service to their customers. As a ShopNBC vendor, you will need to establish a direct connection to the CommerceHub vendor network. CommerceHub supports many different connectivity options that will enable your company to become 100% compliant with ShopNBC's electronic requirements with few or no changes to your existing technological resources or infrastructure. The CommerceHub Client Services team will assist you select and implement the best solution for your company.

Upon becoming an approved ShopNBC Dropship Vendor, a Vendor Orientation Kit will be sent to you that outlines the Commerce Hub program. The Client Services team at CommerceHub is looking forward to helping you select and implement a solution that ensures a smooth transition to ShopNBC electronic order processing.

Commerce Technologies, Inc
21 Corporate Drive
Clifton Park, New York 12065
Phone: 518.886.0700
Fax: 518.886.0701



Dropship Vendor Checklist

- Dropship Vendor Data Request Sheet (Signed by GMM)*
- Operations Authorization Form (Signed by SNBC Operations)*
- Vendor Maintenance Form (Signed by GMM)*
- Vendor Merchandise Agreement
- Certificate of Liability Insurance (from vendor's insurance company)
- Trademark and Logo Agreement
- Vendor Balance Sheet, P & L, Cash Flow Statement
- Date Sent To Vendor _____
- Date Received From Vendor _____
- Potential Air Date Of Product _____

** All Documents that require a signature are to be signed in **BLUE** ink. If the signatures are not in blue ink the vendor packet will be rejected.*

ShopNBC - Dropship Vendor Data Request Sheet

Vendor General Information:

Vendor Legal Name: _____ Phone # _____
DBA Name: _____ State of Incorporation: _____
Company Address: _____ Fax # _____
Web Address: _____ D&B #: _____
Tax I.D. #: _____ Years in Business: _____
Annual Sales Volume (\$): _____ Expected annual volume w/ ShopNBC (\$): _____

Vendor Officers/Partners/Owner:

Name: _____ Title: _____
Name: _____ Title: _____
Name: _____ Title: _____

Vendor Bank Information:

Name: _____ Address: _____
Contact: _____ Phone #: _____

Vendor References:

Please list company name, related contact person's name and phone number for a minimum of two companies for whom the vendor currently fulfills or recently fulfilled orders.

Company Name	Payables Contact Name	Phone #	Monthly Volume in Units and Dollars
_____	_____	_____	_____
_____	_____	_____	_____

The undersigned authorizes banks, creditors, and trade references to release all information requested with respect to this application with the understanding that the information will be held in strict confidence and be used to investigate matters pertaining to financial responsibility. The undersigned also hereby agrees to abide by all pertinent ShopNBC's corporate policies.

Vendor Officer Signature	ShopNBC Merchandise Manager Signature
Print Name	Print Name
Date	Date

Upon completion forward signed copy with attachments to: ShopNBC Merchandising **Buyer:** _____
6740 Shady Oak Road
Eden Prairie, MN 55344
Or Fax to: 952-943-6322

Operations Authorization Form

Vendor Name _____

Vendor FOB _____

Vendor Order Contact _____ **Phone** _____

Email Address _____ *Fax* _____

Vendor Inquiry Contact _____ **Phone** _____

Email Address _____ *Fax* _____

Vendor Shipping Contact _____ **Phone** _____

Email Address _____ *Fax* _____

Vendor Shipping Address _____

Intended Freight And Handling Terms _____

Include any shipping and handling charges per order.

Vendor's Preferred Shipping Method _____

Indicate here the intended shipping carrier used by the New Vendor.

Product Size _____

Indicate the approximate size and weight of intended package.

Does this vendor currently transmit documents via EDI? _____

If no, does this vendor intend to implement EDI? _____

EDI Contact Name: _____

EDI Phone: _____

EDI email address: _____

Product Information

Brief Product Overview

Is the product Custom Made?

Does the customer have to assemble the product? Are there assembly instructions provided?

Is there a telephone number that the customer can call for help with assembly?

How heavy is the product?

Can the customer order refills/replacements as needed for operation of the product? How is the order placed?

Is the product perishable? What is the typical shelf life of the product?

Shipping Information

Is the product shipped in one box or multiple boxes?

What are the shipping dimensions and weight of the box(es)?

If product is perishable, how is it shipped? Is there a special shipping process? How long is the packed material good for?

Is the customer able to cancel the order before it is shipped? What is the process for that?

How quickly does the vendor ship product?

How long does it typically take to deliver product to the customer?

Where does the product ship from? Are there multiple shipping points across the US?

Can the product be shipped to Alaska and Hawaii?

What carrier is used for delivery?

What shipping system is used?

Does the carrier provide a "White Glove" delivery service? Will "White Glove" delivery be used for this product?

Is there a website for tracking the shipment?

Is the customer notified prior to delivery of the product? How is notification completed?

How many attempts to reach the customer will be made?

Is a signature required for delivery of the product?

Does the carrier take away the packing materials?

Does the carrier take away the old product (eg: old mattress)?

Will the product be delivered inside the home?

How is delivery made to apartments or condos?

Does the delivery company have restrictions on flights of stairs?

If there is damage inside the home, how is a claim filed? What is considered damage?

Is there a delivery slip that the customer signs to accept the delivery?

What should the customer note on the paperwork if there is damage?

If the product is damaged, should the customer refuse delivery? What should the customer do if they realize that there is damage once the product is unpacked?

Are products labeled or are instructions included on how to handle damaged product?

How is damaged product returned to the vendor?

Does the product need to be in the original packaging materials? What if those materials are no longer available?

Return Information

If the customer determines that they do not like, how do they return the product within the first 30 days?

Is there a Return Approval process or a number that the customer needs in order to return the product?

What is the cost to the customer for the return of the product?

Is there a restocking fee for the customer?

How can the customer pay for the return?

What is the process to issue credit memos for the returned product?

Will the credit memos be issued via EDI?

Customer Service Related

What if the product is defective? How is that handled?

Does the vendor provide phone service, on-site repair or authorized dealer repairs?

What if there are missing parts? What if the customer is missing parts? Who do they contact?

Please list out the primary contacts, email addresses and phone numbers for resolving customer issues for the following:

General Questions

EDI Related Questions

Order Status

Shipping

Returns

Credit Memos

Authorized ShopNBC Operations Approval

Date

Vendor Maintenance Form

Please forward completed form to Accounts Payable

Vendor Name		Vendor Number	
Requested By	Request Date	Vendor ___ Add ___ Change ___ Delete	

Finance Recommendation		
Approved	Disapproved	Not Applicable
Date Reviewed		Initials
Comments		

Order From Address				Payment To Address			
City				City			
State		Country		State		Country	
ZIP Code		Phone		ZIP Code		Phone	
Contact Name		Fax		Contact Name		Fax	

Return To Address	
City	
State	Country
ZIP Code	Phone
Contact Name	Fax

Fed Tax ID#	Payment Terms	Freight Terms
Dropship (Y/N)	EDI-Ready (Y/N)	Buyer Initials
Return Terms _____% CD _____% GS _____% SB _____% Other _____		

Approved By	Approved By
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VP Merchandising

VENDOR MERCHANDISE AGREEMENT

THIS VENDOR MERCHANDISE AGREEMENT (“Agreement”) is made as of the date indicated below by and between ValueVision International, Inc., d/b/a ShopNBC (“ShopNBC”), a Minnesota corporation with its principal place of business at 6740 Shady Oak Road, Eden Prairie, Minnesota 55344, and the Vendor set forth on the signature page hereof.

WHEREAS, Vendor produces and/or sells certain products which ShopNBC may, from time to time, wish to purchase for resale to ShopNBC’s retail customers (“Merchandise”); and

WHEREAS, ShopNBC and Vendor wish by this Agreement to provide terms and conditions for any purchases of Merchandise that ShopNBC may choose to order during the term of this Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and other terms and conditions contained herein, the parties hereto agree as follows:

1. **All Sales Subject to Purchase Order Terms and Vendor Policies**

1.1 All transactions involving sales of Merchandise from Vendor to ShopNBC shall be initiated solely by ShopNBC placing firm written purchase orders (“Purchase Orders”) with Vendor’s designated representatives. All such Purchase Orders which Vendor chooses to accept shall be subject solely to the ShopNBC Purchase Order Terms (“Order Terms”) and ShopNBC Vendor Compliance Manual then currently in effect, without regard for whether a copy of the Order Terms is attached to or included with the Purchase Order, and without regard for whether the Order is placed in-person, by mail, by facsimile, or by *Electronic Data Interchange* (“EDI”) or other electronic ordering methods which the parties agree to use, and without regard for any other terms, acceptance acknowledgements, invoices, or other things which purport to be or amend the terms of sale under the Purchase Order.

1.2 A copy of the Order Terms currently in effect as of the execution of this Agreement is attached hereto as Attachment A, and a copy of the current ShopNBC Vendor Compliance Manual is included in the accompanying materials. ShopNBC may amend the Order Terms and the Vendor Compliance Manual for any prospective Purchase Orders at any time by giving ten (10) days prior written notice to Vendor, and Vendor’s acceptance of any subsequent Purchase Order shall constitute Vendor’s acceptance of such amended Order Terms and Vendor Guidelines.

2. **Term; Termination**

2.1 This Agreement shall become effective on the date on which ShopNBC submits its first Purchase Order to Vendor under this Agreement (the “Effective Date”) and shall continue in force for a period of 1 year from the Effective Date.

2.2 This Agreement will automatically be extended for additional periods of 1 year at the end of the initial term and each subsequent term, unless written notice of termination is given by either party at least 90 days prior to the expiration of the then current term.

2.3 The failure of a party substantially to perform any obligation assumed by it hereunder within 30 days after written notice by the other party of such nonperformance shall entitle the other party to terminate

this Agreement effective immediately on written notice of termination.

3. **Insurance**

Vendor shall obtain and maintain, at its own expense, insurance coverage as specified in the Order Terms and any additional coverages or amounts as may be specified on the face of specific Purchase Orders.

4. **Indemnification**

Vendor shall indemnify and hold ShopNBC harmless from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed upon, incurred by or asserted against ShopNBC that result from any act, omission or breach of any provision of this Agreement by Vendor, its employees or agents under this Agreement or under any agreement with third parties. This indemnification obligation is in addition to any indemnification obligation set forth in any applicable Order Terms.

5. **Notices**

Any notice or other communication required or permitted herein shall be given in writing and shall be delivered in person or sent by telefax (provided a hard-copy is mailed within 24 hours of the sending of the telefax), Certified Mail or Registered Mail (postage pre-paid and return receipt requested), or express courier (e.g., Federal Express overnight delivery) to the addresses and telecopy numbers specified on the signature page of this Agreement.

6. **Assignment**

This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective representatives, successors and permitted assigns. Neither party may assign, transfer or otherwise delegate this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party; provided, however, that ShopNBC may, without obtaining Vendor's consent, assign this Agreement (i) to any entity affiliated with ShopNBC, or (ii) in connection with a transfer of substantially all of the assets of ShopNBC's business or a sale of majority ownership in ShopNBC's capital stock.

7. **Waiver, Amendment, Modification**

Any waiver, amendment or other modification of this Agreement shall not be effective unless in writing and signed by the party against whom enforcement is sought.

8. **Severability**

The holding of any provision of this Agreement to be void, invalid or unenforceable shall not affect the validity of the other provisions of this Agreement, unless the party to whose benefit the void, invalid or unenforceable provision was intended to operate deems the provision to be essential to this Agreement, in which case such party may terminate this Agreement effective immediately upon notice.

9. **Governing Law**

This Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota applicable to contracts to be performed wholly therein, regardless of the place of acceptance. The parties expressly exclude the application of the United Nations Convention on Contracts for the International Sale of Goods, if applicable. The parties agree that any legal action between them arising out of or in connection with this Agreement or any Purchase Order placed under this Agreement shall be commenced and maintained only in the state or federal courts located in Minneapolis or St. Paul, Minnesota and that such courts shall have

exclusive jurisdiction of and shall provide the exclusive venue for any such action.

VENDOR HEREBY UNCONDITIONALLY AGREES THAT IT IS PERSONALLY SUBJECT TO AND HEREBY CONSENTS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT IT WILL NOT CONTEST THE JURISDICTION, VENUE OR CONVENIENCE OF SUCH COURTS IN ANY ACTION COMMENCED BY SHOPNBC RELATING TO THIS AGREEMENT OR ANY PURCHASE ORDER PLACED UNDER THIS AGREEMENT.

10. **Entire Agreement; Conflicting Terms**

This Agreement constitutes the complete and entire statement of all terms, conditions and representations of the Agreement between Vendor and ShopNBC with respect to its subject matter. In the event of a conflict between terms and conditions stated in any Purchase Order or other document provided by ShopNBC and any acknowledgment or other document provided by Vendor, the former shall prevail; and in the event of a conflict between this Agreement and such document of ShopNBC, the terms of this Agreement shall prevail.

11. **Relationship of the Parties**

The relationship between the parties hereunder is that of buyer and vendor, not principal and agent or partners, with ShopNBC purchasing merchandise for resale for its own account. Neither ShopNBC nor Vendor has authority to act on behalf of the other or to bind the other by any promise or representation unless specifically authorized in writing to do so.

12. **Counterparts**

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which shall constitute but one instrument.

IN WITNESS WHEREOF, Vendor and ShopNBC have caused this Agreement to be executed by their duly authorized representatives identified below as of the date first written above.

("Vendor")

By: _____

Name: _____

Title: _____

Date: _____

Address: _____

Telecopy: _____

ValueVision International, Inc.
("ShopNBC")

By:

Name: Nathan E. Fagre

Title: Sr. Vice President
& General Counsel

6740 Shady Oak Road

Eden Prairie, MN 55344

Telecopy: (952) 943-6111

This Endorsement Changes the Policy. Please Read It Carefully

ADDITIONAL INSURED - VENDORS

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
SCHEDULE**

Name of Person or Organization (Vendor): ShopNBC (*and all subsidiaries and affiliates thereof*)

Your Products: any and all products supplied by the named insurance to the Vendor, WHO IS AN INSURED is amended to include as an insured any person or organization (referred to below as Vendor) shown in the schedule, but only with respect to "bodily injury" or "property damage" arising out of "your products" shown in the schedule, which are distributed or sold in the regular course of the Vendor's business, subject to the following additional exclusions:

The insurance afforded the Vendor does not apply to:

- A. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages the insured would have in the absence of the contract or agreement.
- B. Any express warranty unauthorized by you.
- C. Any Physical or chemical change in the product made intentionally by the Vendor.
- D. Repackaging unless unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instructions from the manufacturer, and then repackaging in the original container.
- E. Any failure to make such inspections, adjustments, tests, or servicing as the Vendor has agreed to make or normally undertakes to make the usual course of business, in connection with the distribution or sale of the products.
- F. Demonstration, installation, servicing, or repair operations, except such operations performed at the Vendor's premises in connection with the sale of the product.
- G. Products which, after distribution or sale by you, have been labeled or re-labeled or used as a container, part, or ingredient of any other thing or substance by or for the Vendor.

This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part, or container, entering into, accompanying or containing such products.

ShopNBC

6740 SHADY OAK ROAD

EDEN PRAIRIE, MN 55344-3433

NOTE: *This form must be completed by your insurance agent*

Name of Insured

Address

City/State/Zip

Subsidiaries or Affiliated Companies also covered under this policy

=====

(This section must be filled out completely)

Name of Insurance Company_____

Combined Single Limits Bodily Injury & Property Damage_____

Each Occurrence_____

Address_____ \$_____

City/State/Zip_____ Aggregate_____

Policy No.

Effective Date

Expiration Date

Endorsements: Additional Insured – Vendor Form No. CG 20 15 11 85 for ShopNBC as set forth of the reverse side of this certificate

Check here if on a claims made policy form

Aperitif other than Bureau policy or endorsements, attach copy of this certificate

SHOPNBC

Approval Requirements for Use of ShopNBC and NBC Trademarks and Logos

1. Any and all use by Vendors of the ShopNBC or NBC names, trademarks and logos, including the NBC Peacock (collectively, the “ShopNBC Trademarks”), must have **prior approval in writing by the ShopNBC Vice President of Marketing.**
2. This includes the use or display of the ShopNBC Trademarks on the Vendor’s website, in print, TV or radio advertisements, in product labels or brochures, for product development, or for any other promotional vehicle or medium by which the Vendor or the Vendor’s products are sold or displayed to the public or the ShopNBC Trademarks are associated with the Vendor.
3. The ShopNBC Trademarks are subject to comprehensive guidelines as to their use and presentation that must be followed. Under the terms of its licensing agreement with NBC, ShopNBC is required, and fully intends, to strictly enforce the proper usage of the ShopNBC and NBC names and trademarks.
4. ShopNBC will endeavor to review and respond to requests from Vendors in a timely manner for approval of proposed use of the ShopNBC Trademarks. To ensure timely approval for the Vendor, in the event that revisions are required, it is recommended that you allow seven (7) business days for the review process prior to your release date.
5. Vendors should submit any proposed use of the ShopNBC Trademarks to the Vice President of Marketing, via overnight express mail to: Vice President of Marketing, ShopNBC, 6740 Shady Oak Road, Eden Prairie, MN 55344.
6. Unauthorized or unapproved usage of the ShopNBC Trademarks by a Vendor will subject the Vendor to a **penalty of \$10,000 per day** until resolved. ShopNBC may also choose, at its discretion, to discontinue its business relationship with a Vendor that violates this policy, in addition to pursuing other legal remedies which may be available to ShopNBC under the circumstances.
7. Any and all Vendor-created package insertion and/or inclusion that does or does not use ShopNBC Trademarks must have prior approval in writing by the ShopNBC Vice President of Marketing. This includes the approval of content and/or creative direction.

Please acknowledge your receipt and understanding of this policy by signing and dating this notice and returning it to ShopNBC, Attn: Howard Fox, Senior Vice President of Operations/Customer Service, ShopNBC, 6740 Shady Oak Road, Eden Prairie, MN 55344. You should retain a copy for your records.

Vendor Name: _____

Name of Vendor Representative: _____

Signature: _____

Date: _____