



SFC Warehouse Fulfillment Service: Service Level Agreement

Last Update: August 25, 2014

Client:

Service Provider: SFC Service Ltd.

The following terms and conditions govern all use of and access to our SFC website (sendfromchina.com) and the Services available at or through the website. The website and Services are offered subject to your acceptance without modification of all of the terms and conditions contained herein and all other operating rules, policies and procedures that may be published by us from time to time on the website.

PLEASE READ THIS AGREEMENT CAREFULLY BEFORE ACCESSING THE WEBSITE OR THE SERVICES. BY ACCESSING THE WEBSITE OR USING ANY PART OF THE WEBSITE OR ANY SERVICES, YOU AGREE TO BECOME BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO ALL THE TERMS AND CONDITIONS, THEN YOU MAY NOT ACCESS THE WEBSITE OR USE ANY SERVICES.

We may amend this Agreement at any time by posting a revised version on our website. The revised version will be effective at the time we post it.

1. Our Relationship with You.

1.1. SFC is only a Fulfillment Service Provider.

SFC helps you accept shipments from and make shipments to third parties. SFC is an independent contractor for all purposes, except that SFC acts as your agent only with respect to the custody of your merchandise. SFC is not a shipping carrier. SFC does not have control of or liability for the carriage of any products. We do not guarantee the identity of any User or ensure that a recipient will accept the shipment.

1.1.1. If there is a conflict between these Terms and the Terms on any air waybill, bill of lading or other transit documentation set forth by the contracted carrier, the carrier's Terms will control. If not stated within the carrier's Terms, the Terms as stated herein shall control. All Terms, including, but not limited to, all the limitations of liability, shall apply to the carrier and their agents and subcontracted carriers. We reserve the right, in our sole discretion, to refuse any incoming or outgoing shipment at any time.

1.2. Your Privacy. Protecting your privacy is very important to SFC and we are committed to maintaining your privacy.

1.3. Shipping History. Accounts in good standing can access their full shipping history and Balance at any time by logging into their Account.

1.4. Account Email. To use the SFC service, you must maintain a valid email that does not have any spam protection to block SFC's automated notification emails from being received. Emails sent from SFC are deemed as full and complete notice of account status. We urge you to add SFC to any white lists needed to ensure emails are delivered. Please note that all account alerts are sent via email, and duplicated on the administration dashboard of your account.

1.5. Service Level Guarantees.

1.5.1. Eligible Accounts. Only full accounts in good standing are eligible for service level guarantees. We offer service level guarantees for our services only. These guarantees can be suspended, modified or revoked at our sole discretion without prior notice to you.

1.5.2. Exclusions and Limitations. Service Level Guarantees do not apply to, (1) inventory improperly labelled by merchant or improperly described in the SFC system; (2) shipments which are delayed due to causes beyond SFC's control, including but not limited to, the following: Acts of God, failure or unavailability of any third-party system outside of SFC's direct control that results in our inability to rate and communicate orders to the warehouses, riots, strikes or other labour disputes, civil commotions, natural disasters, terrorism, weather phenomena and/or disruptions in air or ground transportation networks, (3) the package is available for carrier pickup; but, the carrier does not pick-up.

1.5.3. 100% Accuracy Guarantee. This guarantee applies only to eligible accounts where no exclusions or limitations, described in 1.5.2, are present. The shipping accuracy guarantee means we will ship the right products to the address you specify, and if we don't ship the right products we will ship any available replacement merchandise via the same shipping method as the original shipment with shipping costs paid by SFC, and credit your account for an equal number of item picks as the order made in error. Additionally, at our discretion and when the carrier makes this service available we will request our shipping partner retrieve your merchandise at our expense, or compensate you for lost or missing merchandise as detailed in our Limitation of Liability. The shipping accuracy guarantee does not mean we will ship every order with exactly the carrier you select as carriers sometimes change service level or their systems are not available and SFC may fail-over to a similar carrier in order to ship the product as quickly as possible. The shipping accuracy guarantee does not mean that the final shipping price will exactly match the rate initially displayed as these terms detail that all shipping rates displayed are estimates until final carrier bills are received. The shipping accuracy guarantee does not mean that the product will arrive to the end recipient in a timely manner or undamaged; we strongly recommend that merchants insure all shipments against loss or damage. We are not liable for lost product, loss of business or for consequential or incidental damages for shipments.

2. Eligibility.

2.1. Eligibility. To be eligible for our Services, you must be at least 18 years old. This Agreement applies to all Users. Failure to ensure this Agreement is enforceable shall be considered a breach of the entire agreement by User, and User is forbidden from using SFC's Service and Website.

2.2. Identity Authentication. You authorize SFC, directly or through third parties, to make any inquiries we consider necessary to validate your identity. This may include asking you for further information, requiring you to take steps to confirm ownership of your email address or financial instruments, ordering a credit report and verifying your Information against third party databases or through other sources.

3. Sending Merchandise to SFC.

3.1. Receiving Requirements –SFC has strict receiving requirements. Qualified inventory is inventory that is received properly, meaning:

3.1.1. Each incoming consignment is clearly identified with an ASN (Advanced Shipping Notice) number.

3.1.2. For each ASN, the actual quantities match the reported quantities.

3.1.3. The dimensions and weight are correct.

3.1.4. New inventory has clear SKU labels corresponding with SKUs in your account, and is packaged for handling.

3.1.5. Inventory is received cleanly organized, boxed and/or stacked. SKUs are packaged together, unmixed.

3.1.6. SFC is not liable for any duties, customs or fees related to the inventory.

3.1.7. Inventory that does not meet these criteria will be classified as Unqualified inventory. Additional fees may apply for labour needed to cleanup, label or otherwise reconcile your inventory. Finally, you agree that SFC may simply refuse or return any shipment it deems significantly Unqualified, at your cost, and shall not be liable or responsible for any cost, expense, loss, injury, or damage of any nature to,



or related to, such refused goods. Whether SFC accepts or refuses goods you agree to indemnify and hold harmless SFC from any and all claims for transportation, storage, handling and other charges relating to such goods, including undercharges, rail demurrage, truck/intermodal detention and other charges of any nature.

3.1.8. SFC shall not be responsible for segregating inventory by production code date. If this is required, we recommend you create a unique SKU for each production.

3.1.9. Receiving Accuracy Disclaimer: Upon receiving, SFC does not audit for accuracy all product attributes (weight and dimensions) nor all inventory counts stated in the merchant ASN. SFC will often "spot check" for accuracy. SFC specifically disclaims responsibility for the accuracy of product attributes (weight and dimensions) being entered into the SFC system by customers. The merchant is specifically responsible for product attribute accuracy.

3.1.10 Should an inventory discrepancy be found with products at the time of receiving or for products in storage merchants should first submit an insurance claim to their inbound shipping insurance agent and their off-site inventory insurance agent. SFC received inventory counts are not audited or certified accurate.

3.1.11 You will provide SFC with information concerning the stored inventory which is accurate, complete and sufficient to allow SFC to comply with all laws and regulations concerning the storage, handling and transporting of the stored inventory. You will indemnify and hold Warehouse harmless from all loss, cost, penalty and expense (including reasonable attorneys' fees) which SFC pays or incurs as a result of you failing to fully discharge this obligation.

3.2. Fees. You are responsible to ensure sufficient fund in your prepaid account so that we can debit from it.

3.3. Defective Product or Packaging; Obsolescence; Disposal.

3.3.1. We reserve the right to refuse, dispose of and/or return at your cost any product we deem unfit, dangerous, requiring special attention, or otherwise interfering with our normal operations. You are also liable for any additional labour and materials needed to handle defective product or packaging.

3.3.2. If you provide pre-packaged product, we may determine your packaging to be insufficient for shipping, and an outside box required. At our discretion, we may offer an outside box and packaging solution for an additional fee, or we may return the product to you at your cost.

3.3.3. Disposing of your merchandise is comparable to shipping a standard order, only without the shipping fee. In other words, the merchandise will still be handled as a normal outbound order, with respect to the cost of handling. A sufficient monthly Plan is needed to cover the cost of disposing, or shipping, all items, and storage fees will be required until all items are disposed of or shipped out.

3.4. Limited Access to Inventory

3.4.1. Once product is received by SFC, it is unavailable for inspection, exchange or pickup. You must submit a standard order for shipping if you wish to move the product to another location. Sending a third party to pickup product, or coming to pickup product yourself, is not an option. Submitting a large order for shipping may require you to upgrade your plan accordingly. All plans have a limited set of shipping options available.

3.4.2. SFC will store the goods at, and may without notice move the goods within and between SFC warehouses.

3.5. Insurance Fee.

3.5.1 This is for insuring your products against losses or damages when they are stored in our warehouse.

3.5.2 It is 0.1% of the declared value of your products for each year.

3.5.3 The insurance does not cover losses or damages due to: judicial actions, wars, strikes, riots, insurrections, coup, terrorism activities, earthquakes, tsunami, natural disasters, nuclear radiation or pollution, radioactive contamination, air pollution, land pollution, water pollution, other non-radioactive contamination (except when caused by insured activities), product's inherent flaws or defects, natural wear and tear, atmospheric fluctuations, normal liquid-level fluctuations, self decomposition, moisture, rodents, pests, oxidation, rust, corrosion, leakage, baking.

3.5.4 Loss Ratio is the percentage of lost or damaged units over total inbound units of the product. For storage less than or equal 90 days, there is no compensation if Loss Ratio \leq 0.05%. For storage more than 90 days but less than or equal 180 days, there is no compensation if Loss Ratio \leq 0.1%. For storage more than 180 days but less than or equal 360 days, there is no compensation if Loss Ratio \leq 0.5%. For storage more than 360 days, there is no compensation; you may pay insurance fee again but there is no compensation if Loss Ratio \leq 1%.

4. Having SFC Ship On Your Behalf.

4.1. Application of Rates and Charges

4.1.1. Rates and service quotations are estimates and will be based upon the information provided by you, but final rates and service may vary based upon the shipment actually tendered. Charges will be assessed at the rates effective the day the shipment is accepted by us. Due to potential delays beyond the control of SFC in the discovery of errors SFC reserves the right to retroactively assess or adjust fees.

4.1.2. Chargeable Weight. The costs to transport goods are dependent upon carrier space and weight limitations. Thus, bulky shipments requiring considerable space are often charged a dimensional weight. Each shipment tendered to us is charged according to the actual weight or the dimensional weight, whichever is greater

4.1.3. Additional Fees. Fees related to Customs and security, failed pickup or delivery, returns, labour and waiting time, and re-consignment, may be assessed additional charges and may incur additional transit day(s). SFC further reserves the right to bill additional fees, along with SFC administrative fees, for address corrections and other carrier adjustments that are billed to SFC.

4.1.4. Beyond Charges. A shipment that is destined to a rural location or a location distant from a commercial center may be assessed additional charges and may incur additional transit day(s).

4.1.5. Product Description. When you input new products into SFC you must give weight and product dimensions. Please ensure these weights and dimensions are accurate, SFC relies on these for shipping cost estimates. If your weight or dimensions are smaller than actual, SFC shipping estimates will be low and when the actual shipping price is incurred by the carrier your account will be back-billed the difference. If your shipping weights and dimensions are too large SFC will overpay the postage and the carrier will not notify SFC or you of the overpayment; SFC will not be responsible for refunds for overpayment of carrier fees due to erroneous product weight or dimensions. Please note also that our shipping costs are estimates until approved/billed by carriers. SFC reserves the right to edit dimensions and weight at its discretion.

4.1.6. Shippable Addresses. You are responsible for the accuracy and deliverability of order shipping addresses. SFC may, at its discretion, occasionally attempt to verify some order shipping addresses, but this is not a replacement for merchant address diligence and verification. If SFC provides an order shipping estimate on the basis of an address later discovered to be inaccurate or incomplete, the merchant may be responsible for any applicable address correction fees, or for any difference in shipping cost due to differences between the merchant-provided address and the actual address. Examples of discrepancies for which the merchant may be responsible include, but are not limited to, incomplete addresses, commercial/residential address status, and rural address status.

4.1.7. International Shipping. Customs and Customs agents can delay, refuse to process, assess brokerage, lose or impose unanticipated customs, tax or duties to international shipments at their discretion. Even perfectly documented shipments can be returned to the warehouse with no reasons indicated. SFC will not refund or guarantee an international shipment that was lost or returned.

4.1.7.1. International Returns. International shipments that are not delivered are often returned by the carrier and assessed return shipping, brokerage and returns processing carrier fees. Any of these fees assessed by the carriers are billed through to merchants. SFC strives to work with merchants to circumvent these fees or abandon product at the merchant's request; however, this is done on a best efforts basis.



4.1.7.2. International CDT. In most situations, the consignee is responsible for Customs, Duties and Taxes. However, sometimes it is billed to us and we will have to charge back to the merchant regardless of whether they were or were not in the initial shipping estimate, or whether the order was or was not delivered.

4.1.8. Quotations are estimates only. Quotations as to fees, rates of duty, international brokerage charges, freight charges, insurance premiums or other charges given by us to you are for informational purposes only and are subject to change without notice and shall not under any circumstances be binding upon us unless we in writing specifically undertake the handling or carriage of the shipment at a specific rate. Quotations accepted through SFC's online interface are estimates based on the information you have supplied. Final shipping charge may differ based on carrier shipping prices, the actual characteristics of your product, the delivery address, and services requested during the normal course of delivery. SFC specifically disclaims liability for any shipping rate errors due to information you have supplied, such as dimensions and weights you have entered into our system. SFC disclaims liability for any shipping rate errors due to failures in communication with shipping carriers that are outside of SFC's control.

4.2. Computation of Days. Unless otherwise provided, in computing time in days, business days will be used

4.3. Carrier. We reserve the right to use alternate carriers or services that provide comparable service levels, as determined by SFC. In these cases, pricing will remain as initially quoted. SFC reserves the right to modify service levels and carrier options at any time.

4.4. Undeliverable Shipments/Returns. SFC can only receive merchandise with a proper ASN number or RMA number attached. Merchandise returned directly to SFC without a proper RMA number will either be refused or discarded. It is your responsibility to submit deliverable orders, and to ensure returns are handled properly. If you have opted to authorize us to handle your returns, then you allow us to perform simple visual inspection. We cannot do complicated testing. We make the final judgment of either disposing the product OR restocking it. You agree that the condition of a return is subjective and we are not responsible for any losses due to wrong judgment. Generally, products without original packaging are considered unsellable and we will dispose of them.

5. Fees.

5.1. Billing and payments are explained on the SFC website. Fees are subjected to change.

5.2. Shipping Fees. SFC pays your shipping fees as they occur. We debit it from your SFC prepaid account on or about the day of activity.

5.3. Billing Review Period. Should you disagree with any SFC service fee billed you agree to submit the disputed fee to SFC within 60 days of the fee being charged. SFC will not review fees billed after 60 days. Please note that carrier shipping charges are not SFC service fees for purposes of the billing review period.

5.4. Base rates for Monthly Plan:

Storage Space: 300 yuan/cubic meters

SKU (or unique item): 10 yuan/SKU

Handling (or Plan-Item or Pick-and-Pack): 10 yuan/piece

5.4.1. Within an order, the first piece of a product which we pick-and-pack will utilize 1 Plan-Item (equivalent to 10 yuan) and any subsequent pieces of this same product will utilize 1/10 Plan-Item (equivalent to 1 yuan) each.

5.4.2. If the total weight of an order exceeds 10 kg, then there is an Overweight Surcharge of 1 yuan for each additional kg. Partial kg will be billed as full kg.

5.4.3. Handling Fee of 1.5 yuan/piece is applicable only when using SFC bubble envelopes. For other packing materials or client's packing materials, then there may be a Handling Surcharge and the rate shall be determined by the Service Provider.

5.5. You must pay the Monthly Plan Fee on due date by ensuring that there is sufficient fund in your SFC prepaid account. If you fail to pay after 15 days (of due date), then we reserve the rights to remove all products from the shelf at your cost and we shall not be liable for any consequences as a result of such action. If you fail to pay after 30 days (of due date), then we reserve the rights to dispose all products at your cost and we shall not be liable for any consequences as a result of such action.

6. Account Balances.

6.1. Balances. It is your responsibility to ensure that is sufficient balance in your prepaid account for the next possible debit.

6.1.1. If there is insufficient fund and we fail to debit monthly fee (for your Plan) for 3 consecutive months, then we cannot afford to store your products anymore and have to dispose them immediately. And we are not liable for your losses as a result of this disposal.

6.1.2. If there is insufficient fund and we fail to debit shipping fee for your customer's order, then that order shall be put on hold till you top up.

6.2. Waiver of PayPal dispute process. The use of PayPal includes the ability to dispute payments made with PayPal pursuant to certain dispute resolution rules and procedures provided in the agreement you have with PayPal. Additionally, SFC's ability to receive payment of its fees and costs via PayPal is pursuant to a form of merchant services agreement which contains its own rules and procedures for dispute resolution, including rules and procedures parallel to those associated with your PayPal account. By using the SFC service, you are agreeing to forego any and all rights you may have to utilize the dispute resolution rules and procedures provided by PayPal and those related to SFC's merchant services agreement and to rely exclusively on the dispute resolution procedures provided in your terms of service with SFC.

7. Closing Your Account.

7.1. You need to deplete all your inventory before closing your account.

7.2. Limitations on Closing Your Account. Your monthly fee will continue as long as SFC is carrying inventory for you. If inventory remains in your Account, and you wish to stop your monthly fee, you must ship the inventory to yourself, or elsewhere, in the same manner as shipping inventory to your customers. You must submit a standard order, and use one of our standard shipping services only. You must have a sufficient Plan for shipping the number of items. If you do not wish to modify your Plan, and your current Plan is insufficient for shipping all your inventory in the current month, you will need to spread the shipment over several months, and stay within the limits of your current Plan.

8. Your Liability.

8.1. You are responsible for all fees, fines, penalties, claims and other liability incurred by SFC, a SFC User, or a third party caused by or arising out of your breach of this Agreement, and/or your use of the Services. You agree to reimburse SFC, a User, or a third party for any and all such liability. SFC, in its sole discretion, reserves the right to terminate this Agreement, access to its website, or access to the Service for any reason and at any time upon notice to you.

9. Disputes with SFC.

9.1. Waiver of Liability/Hold Harmless. We are not the carrier of your shipment, and as such will not be liable for carrier errors. By using the SFC Service, you agree to waive all liability and hold SFC harmless for all loss, damage, theft, injury, late shipments, and erroneous shipments resulting from negligent actions or the actions of third parties.

9.2. In the event of inventory loss due to inaccurate inventory counts during receiving or inventory count inaccuracies at any time that SFC is in possession of inventory, you agree that SFC's liability shall be limited to the less of the following: (1) the declared value (as stated by the merchant in the SFC system) of the inventory; (2) the actual cost of the inventory.



10. Definitions.

10.1. "Agreement" means this agreement including all subsequent amendments.

10.2. "We," "us" or "our" means SFC.

10.3. "Seller" and "merchant" are used interchangeably and mean a User who is selling goods and/or services and using the Services to store and/or ship merchandise.

10.4. "User," "you" or "your" means you and any other person or entity using the Service.

Client:

Address:

Phone:

Signature:

Date:

Company Seal:

Service Provider:

Address:

Phone:

Signature:

Date:

Company Seal: