

AUDIT SERVICES AGREEMENT

Audit Service Agreement IMPORTANT – PLEASE READ CAREFULLY THE TERMS OF THIS AUDIT SERVICES AGREEMENT (“AGREEMENT”). BY CLICKING ON THE “I AGREE” BUTTON, (1) YOU ACKNOWLEDGE THAT YOU HAVE READ, UNDERSTAND, AND AGREE TO BE BOUND BY THIS AGREEMENT AND (2) YOU REPRESENT THAT YOU HAVE THE AUTHORITY TO ENTER INTO THIS AGREEMENT, PERSONALLY OR IF YOU HAVE NAMED A COMPANY AS CUSTOMER, ON BEHALF OF ANY SUCH COMPANY (YOU, OR ANY SUCH COMPANY, SHALL BE REFERRED TO HEREIN AS THE “CUSTOMER” OR “YOU”), AND TO BIND THE CUSTOMER TO THE TERMS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO ALL TERMS AND CONDITIONS OF THIS AGREEMENT, OR IF YOU DO NOT HAVE SUCH AUTHORITY, YOU SHOULD CLICK ON THE “CANCEL” BUTTON TO DECLINE OR DISCONTINUE THE USE OF THE SERVICES.

This Agreement is a legal agreement between Customer and 71 Pounds, Inc (“71lbs.com”) for the provision of certain services of 71lbs.com.

WHEREAS, Customer is engaged in business activities that require Customer to employ transportation services for the shipment of packages, and;

WHEREAS, 71lbs is engaged in the business of freight audit, refund claim processing and other services to assist Customer in the reduction of transportation services costs, and;

WHEREAS, Customer desires to engage the services of 71lbs to reduce its transportation services costs through invoice auditing and refund claim processing. 71lbs will review all of Customer’s current shipping invoices for outbound freight (FedEx, UPS, USPS, etc.), and other related services as may be mutually determined by the parties, and;

NOW, THEREFORE, in consideration of the above, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, 71lbs and Customer agree to the following:

1. 71lbs agrees to provide the following services to Customer: (i) audit Customer’s shipping data to determine which shipping charges are eligible/qualify for a full or partial refund/credit according to the policies of the Customer’s shipping service provider(s); (ii) complete and submit all refund/credit requests on behalf of Customer; (iii) monitor and track Customer refunds and credits from carriers; and (iv) such other services as the parties may mutually determine.
2. Customer hereby grants to 71lbs, during the term of this Agreement, the non-exclusive right to view Customer’s shipping, invoice and tracking data which will be made available to 71lbs through carriers’ websites, online invoicing, flat files, electronic billing and other means. 71lbs agrees to use the data solely for the purpose of invoice auditing, refund/credit recovery, analysis and consultation in accordance with 71lbs’s services. Customer hereby designates 71lbs as an authorized agent to review these materials, audit Customer’s invoices and file credit or refund requests on behalf of Customer. Customer agrees not to waive its right to recover refunds or to waive any carrier service guarantee for the term of this Agreement. Customer agrees that 71lbs, via its proprietary invoice audit solution, shall be Customer’s exclusive service or solution provider for the identification or recovery of refundable shipping charges during the term of this Agreement. Customer agrees to compensate 71lbs for all funds recovered to Customer at the rate specified in Section 3 below. Customer will make available copies of all related invoices, vendor correspondence (including pertinent emails), contracts and rates.

Customer agrees and acknowledges that 71lbs is providing freight audit and refund claim processing services as an independent contractor and as such makes no representations or warranties with respect to or on behalf of shipping companies or carriers engaged by Customer, and that 71lbs bears no responsibility for carrier action or availability, or for any freight payments to any carrier. Customer agrees to indemnify 71lbs for all costs, including reasonable attorney fees that arise from Customer's failure to pay its freight bills or to fulfill any other obligation of Customer.

3. 71lbs Fees, Invoicing and Payment:
 - a. Fees: In consideration of the performance of services, Customer agrees to compensate 71lbs at the rate of 50% of Customer's actual audit savings. Audit savings shall consist of all carrier credits, refunds and rebates resulting from 71lbs's audit efforts including but not limited to service guarantees and contested charges. 71LBS WILL NOT INVOICE FOR ANY FEES IF NO MONETARY SAVINGS ARE GENERATED FROM THIS PROCESS.
 - b. Invoicing & Payment: Fees will be invoiced monthly for services performed as defined in this Agreement and Customer agrees to pay all such invoices within ten (10) days of date of invoice, and all payments will be made in US dollars. If Customer fails to make any payment when due, 71lbs may suspend all services until the past-due payment is made. In addition, overdue payments may be charged interest at the lesser of 1.5% per month or the maximum interest allowed by law. If 71lbs is required to retain a collection agency or attorney to collect overdue payment, all reasonable collection costs, including attorney fees, will be payable by Customer.
4. Term of Agreement: THIS AGREEMENT WILL BECOME EFFECTIVE ON THE LAST DATE EXECUTED AND WILL CONTINUE UNTIL EITHER PARTY PROVIDES THE OTHER PARTY WITH THIRTY (30) DAYS WRITTEN NOTICE OF TERMINATION.
5. Confidentiality: No party, for the duration of this Agreement and for a period of two (2) years thereafter, shall disclose to any other person or company any part of this Agreement, attachments, or amendments, nor any confidential information regarding the other party, its business, its vendors, its vendors' rates, its customers, or its employees ("Confidential Information"). Customer's Confidential Information shall include, without limitation, the terms of any of Customer's carrier agreements. Except as set forth in Section 7h below, each party agrees to use the Confidential Information solely and exclusively to perform the services under this Agreement. In the event that receiving party is required by law, regulation, or court order to disclose any Confidential Information, receiving party agrees to promptly notify disclosing party of such demand prior to such disclosure and to give disclosing party a reasonable opportunity to contest such disclosure, and to disclose the minimum information required by such demand. Such disclosed information shall remain Confidential Information. Unless earlier requested from time to time during the term, each party agrees to promptly return to the disclosing party all tangible items containing and/or relating to the Confidential Information, including all written materials, photographs, models, and the like and all copies thereof, upon the expiration or any earlier termination of this Agreement.
6. Disclaimer; Limitation of Liability: EXCEPT FOR ANY EXPRESS WARRANTIES SPECIFICALLY SET FORTH HEREIN, 71lbs DOES NOT MAKE ANY GUARANTEE OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO PRODUCTS, SERVICES, SUPPORT, OR ANYTHING ELSE, INCLUDING BUT NOT LIMITED TO THE WARRANTY OF MERCHANTABILITY, THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND ANY WARRANTY OF NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY. 71lbs HAS NOT AUTHORIZED ANYONE TO MAKE ANY REPRESENTATION OR WARRANTY OTHER THAN AS

PROVIDED HEREIN. 71lbs'S LIABILITY FOR LOSS UNDER THIS AGREEMENT IS LIMITED TO THE TOTAL AMOUNT PAID TO 71lbs BY CUSTOMER DURING THE PREVIOUS CALENDAR YEAR. NEITHER PARTY WILL HAVE ANY OBLIGATION OR LIABILITY, WHETHER ARISING IN CONTRACT (INCLUDING WARRANTY), TORT (INCLUDING ACTIVE, PASSIVE OR IMPUTED NEGLIGENCE, STRICT LIABILITY OR PRODUCT LIABILITY) OR OTHERWISE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES INCLUDING BUT NOT LIMITED TO LOSS OF REVENUE, LOSS OF BUSINESS OR OTHER FINANCIAL LOSS ARISING OUT OF OR IN CONNECTION WITH ANY OF THE PRODUCTS OR SERVICES FURNISHED BY 71lbs UNDER THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7. Other Considerations:

- a. 71lbs warrants that 71lbs shall perform the services in a professional manner and in accordance with (i) the standards of care and diligence practiced by organizations performing services of a similar nature at the time the Services are performed, and (ii) all applicable international, federal, state, and local laws.
- b. Any amendments to this Agreement and notices must be agreed by both parties and must be confirmed in writing.
- c. This document and, if applicable, its amendments and attachments, describe the entire Agreement; there are no other express or implied understandings. This Agreement creates no third-party beneficiary rights.
- d. 71lbs operates as an independent contractor serving as consultant, not as an employee of Customer.
- e. This Agreement cannot be assigned, transferred or sold by either party without the permission of the other party, such permission not to be unreasonably withheld, except that 71lbs may assign the Agreement to an acquirer of all or substantially all of its assets or in connection with a merger where 71lbs does not survive.
- f. Customer shall indemnify, defend and hold 71lbs harmless from and against any and all damages, claims, or liabilities resulting from 71lbs's audit and other services, and recommendations, and from any claims that confidential information has been disclosed by Customer to 71lbs in violation of any agreements Customer may be a party to.
- g. THIS AGREEMENT AND THE USE OF THE 71LBS.COM SERVICES WILL BE GOVERNED BY DELAWARE LAW EXCEPT FOR ITS CONFLICTS OF LAWS PRINCIPLES. ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THESE SERVICES MUST BE LITIGATED EXCLUSIVELY IN THE FEDERAL OR STATE COURTS OF THE STATE OF DELAWARE, AND BOTH PARTIES CONSENT TO VENUE AND PERSONAL JURISDICTION THERE.
- h. No ownership rights are transferred by this Agreement. Each party retains sole and exclusive rights to all of its intellectual property. If either party is unable to perform any of its obligations under this Agreement due to any cause beyond its reasonable control, such party's performance will be excused and the time for performance extended for the period of delay or inability to perform due to such occurrence.