

# tapestry

## PURCHASE ORDER - MASTER TERMS AND CONDITIONS

1. OFFER, ACCEPTANCE, AND MODIFICATION: These terms and conditions and any attachments and any specifications and other materials expressly referred to in this document shall govern any purchase order or other ordering document ("Purchase Order") entered into by Buyer and Seller (collectively, the "Agreement"). This Agreement shall become effective immediately upon Seller's acceptance of any Purchase Order. Seller shall accept the offer in writing, or by beginning to fill the order or perform the services requested by Buyer. This Agreement shall be the sole and exclusive statement of the purchase agreement between Buyer and Seller, notwithstanding any terms and conditions that may be contained in any proposal, acknowledgement, confirmation, invoice or other document received from Seller or any act of Buyer in accepting or paying for any goods or services. No additional terms or conditions proposed by Seller either orally or in writing shall be a part of this Agreement unless expressly agreed to by Buyer in writing.

2. PRICE:

(a) The prices to be paid for the goods ordered or services to be performed shall be as set forth in the Purchase Order unless otherwise agreed to in writing by Buyer. All charges are included in the price and no extra charges of any kind shall be allowed unless specifically agreed to in this Agreement. If Seller's current lawful price is lower than stated in the Purchase Order, the Purchase Order shall be filled by Seller at such lower price. Unless otherwise agreed to in writing by Buyer, Seller shall apply and collect all applicable United States Federal, state, local and foreign (for purposes of clarity, non-United States) taxes, tax assessments and other governmental charges assessments and duties as are required by law in connection with the goods and services being provided hereunder, except for those for which an exemption may be claimed by Buyer. All taxes, assessments, duties or any charge or increase not in effect on the date of this Agreement which may, prior to the completion of deliveries of goods or performance of services, be levied by any governmental agency on products, containers for products or services shall be the liability of Seller without recourse to Buyer.

(b) If during the term of this Agreement, Seller makes or offers to make sales of the same goods or services to any third party, in like quantities and of like quality, at prices lower than the prices then in effect under this Agreement, said lower prices shall apply on all goods thereafter shipped to or services performed for Buyer under this Agreement, and Seller shall give Buyer notice of said lower prices.

3. DELIVERY SCHEDULE, RISK OF LOSS, TRANSPORTATION, AND PACKAGING: Shipment or delivery of goods and the performance of services shall be in accordance with the schedule set forth in this Agreement unless otherwise agreed to in writing by Buyer. All goods are sold to Buyer "FOB Port of Shipment" (Incoterms 2000), unless otherwise indicated. Seller shall promptly advise Buyer of any inability to make timely shipment. If Seller does not, or it

appears that Seller will not, meet Buyer's delivery or work schedule for reasons not related to an force majeure event or caused by an act or omission of Buyer, Buyer may, in addition to any other rights or remedies provided by law or this Agreement: (a) cancel this Agreement, in whole or in part, without liability to Seller except for payment for goods previously shipped and accepted or services previously performed to the extent reasonable in amount; (b) approve an agreed upon revised delivery or work schedule; (c) require that Seller ship via expedited routing to meet such delivery schedule or to recover the time lost; or (d) receive a waiver of all delivery fees for those shipments that are more than one (1) business day late (within the U.S.) or three (3) business days late (international). If Buyer approves a revised delivery schedule or requires Seller to ship via expedited routing, any additional transportation cost incurred as a result shall be paid by Seller. All risk of loss, damage in transit or delay in delivery of the goods ordered pursuant to this Agreement shall remain with Seller until delivery to and acceptance by Buyer, except where transportation of the goods is provided by Buyer's own vehicle, and then risk of loss, damage in transit and delay in delivery shall shift to Buyer upon completion of loading of Buyer's vehicle by Seller. Seller shall prepare all goods for shipment so as to secure the lowest transportation rates consistent with timely delivery. Buyer has the right to specify carrier and routing. Buyer will not allow extra charges for packing, cartage, drayage, storage or anything else unless stated in this Agreement or otherwise agreed to in writing by Buyer. Seller shall mark the identification number of this Agreement and enclose a packing slip showing the order number and quantity of each container or other receptacle. If not accompanied by a packing slip, Buyer's count and weight shall be conclusive. Time is of the essence under this Agreement. Unless otherwise agreed to in writing by Buyer, Seller shall not make a commitment for materials or production arrangements to fulfill this Agreement in excess of the amount or in advance of the time necessary to meet Buyer's delivery schedule.

4. OVERSHIPMENTS; DELIVERIES IN ADVANCE OF SCHEDULE; UNDERSHIPMENTS: Overshipments exceeding five percent (5%) of the quantity of goods ordered by Buyer or \$25.00 in amount, whichever is less, may be accepted by Buyer upon the terms and conditions set forth herein. Goods which are delivered in advance of schedule without authorization from Buyer may, at Buyer's option: (a) be returned to Seller, at Seller's sole risk and expense; (b) be accepted by Buyer with payment withheld by Buyer until the date that the particular goods are actually scheduled for delivery; or (c) be placed in storage, at Seller's sole risk and expense, until the delivery date specified under Buyer's delivery schedule. In the event of an undershipment of any quantity, Buyer shall not be charged for the shipping costs related to the shipment of goods that completes or makes whole the original order. In addition, undershipments exceeding five percent (5%) of the quantity of goods ordered shall be treated as a late shipment resulting in all shipping fees - original delivery and make whole delivery - being waived if the undershipment is not resolved within one (1) business day for domestic U.S. deliveries and three (3) business days for international deliveries.

5. PAYMENT TERMS AND SET-OFF: Payment for goods ordered or services to be performed shall be due sixty (60) days from the date of invoice unless otherwise agreed to in writing by Buyer. All payments shall be made via company check or ACH transfer (at Buyer's discretion) unless otherwise agreed by the parties; Seller shall provide Buyer with all necessary details to affect such payments via ACH within five (5) days of acceptance of the Purchase Order. Buyer shall be entitled at all times to set off any amount owing at any time

from Seller, or any affiliated company of Seller, to Buyer, or any affiliated company of Buyer, against any amounts payable at any time by Buyer in connection with this Agreement. All invoices shall be submitted to Buyer within three (3) months of the month in which the goods were accepted, the services were performed, or if applicable, expenses were incurred. No payments shall be issued for any invoices received more than three (3) months after the month in which the goods were accepted, the services were performed, or if applicable, expenses were incurred. As used in this Agreement, "affiliated company" means any firm, corporation, partnership, limited partnership, joint venture, or association which controls, is controlled by, or is under common control with Seller or Buyer, respectively, and shall specifically include any division, subsidiary, and any company or firm in which Buyer or Seller own an interest.

6. NO SUBSTITUTION OF MATERIALS: No change in the goods or services ordered under this Agreement, or their method of production, including substitutions or changes in materials, equipment, processing or production location, shall be made by Seller, or any Subcontractor (as defined herein), without the prior written consent of Buyer.

7. WARRANTIES: Seller represents and warrants: (a) that it is the sole owner of any goods to be sold under this Agreement and that it has the unrestricted right to convey marketable title free and clear of all liens and encumbrances; (b) that any goods delivered or services performed will conform to this Agreement and any description, specification, drawing or sample relating to such goods or services; (c) that any goods shall be merchantable and fit for the use intended by Buyer, and that any goods or services shall be free of all defects in design, material and workmanship, and shall be in good working condition; and (d) that all goods shall be manufactured in accordance with good manufacturing practices, and that all goods and/or services shall conform to and be furnished in accordance with all applicable United States Federal, state, local and foreign (for purposes of clarity, non-United States) laws, rules and regulations. Seller agrees that these warranties shall run to Buyer, its successors, assigns, and customers, and the users of its products. Seller, for itself and each Subcontractor, laborer, mechanic, material and equipment supplier and all other persons acting through or under Seller (as applicable) warrant to Buyer that services shall be performed in a good and workmanlike manner and that all materials and supplies furnished or used in connection with the services shall be of good quality, new and free from defects and failures. Unless otherwise set forth in any individual Purchase Order, Seller shall remedy, without cost to Buyer, any and all defects and/or failures in workmanship or materials that arise within a period of one (1) year after full payment for the goods or services, or for such greater time as shall be provided under applicable law. These warranties shall survive any delivery, inspection, testing, acceptance or payment by Buyer under this Agreement, and the termination of this Agreement for any reason. Seller acknowledges that it is an expert in producing and supplying the goods and/or services to be purchased pursuant to this Agreement, and notwithstanding Buyer's acceptance of specifications, samples, test data and the goods and/or services, Seller agrees that Buyer may rely on Seller as an expert.

8. INSPECTION, REJECTION AND RETURN OF GOODS: All goods and services to be purchased under this Agreement are subject to Buyer's right of inspection and approval, notwithstanding prior payment therefor by Buyer. Goods purchased hereunder may be inspected at Buyer's destination or Seller's plant. Buyer reserves the right, in addition to any other rights which it may have at law, at equity or under this Agreement, to reject and refuse

acceptance of all or a portion of such goods or services which are not in conformity with Seller's warranties, as determined by Buyer. Seller agrees that time for acceptance or rejection of any shipment of goods or performance of services shall not expire until a) the installation of the goods and the inspection of such installation by Buyer; b) the use of the goods by Buyer in products which it manufactures or processes which embody or employ the goods, or c) the use of any item which is an embodiment of the services performed by Seller. Buyer shall have the right to return to Seller all or a portion of such non-conforming goods (regardless of how such non-conformity occurred) or any item representing or embodying the services, or repair any improper installation thereof, at Seller's sole risk, expense, for full credit or refund, or require that Seller, at its sole risk and expense, correct, replace or reinstall such goods or services with conforming goods or services within such time as Buyer may require; provided, however, that such corrected or rejected goods or services shall not be converted or replaced by Seller without written authorization from Buyer. If Seller fails to correct or replace any non-conforming goods or services promptly after notification and authorization from Buyer, Buyer may correct or replace or reinstall such goods or services and charge Seller for the cost incurred by Buyer thereby, equitably adjust the order price for such goods or services or set-off the cost hereunder, at the sole discretion of Buyer. Any goods or services corrected, replaced or repaired by Seller shall be subject to the warranties and other terms of this Agreement. In the event of rejection by Buyer of all or a portion of the goods or services, Buyer may charge to Seller and set-off against any payments due Seller all expense of unpacking, examining, repacking, storing and shipping any goods rejected. Payment for any goods or services hereunder shall not be deemed acceptance thereof.

Buyer's failure to inspect and accept or reject any goods or services shall not relieve Seller from responsibility for goods which are not in conformance with this Agreement nor for latent defects in any goods, or the installation thereof, whether inspected or not, nor for fraud or such gross mistakes as amount to fraud, nor shall anything herein relieve Seller from the obligation to inspect and test the goods or services covered by this Agreement in accordance with good commercial practices and Buyer's requirements and specifications, nor impose any liability upon Buyer for such failure or defects. Seller shall maintain inspection and test records pertaining to such goods and services for a period of two (2) years after delivery of such goods and services or as otherwise specified by Buyer, and copies thereof shall be made available to Buyer at any time upon request and without charge. Such records shall include the time when, the manner in which and the persons by whom the goods or services have been inspected and tested and the results of such inspections and tests.

9. **TERMINATION AND REMEDIES:** This Agreement shall only be valid for the term set forth in the Purchase Order or until such time as Seller has delivered all goods or completed all services set forth in the Purchase Order. In no event shall this Agreement automatically renew for any additional periods of time without a mutually written agreement between Buyer and Seller. Buyer may terminate all or any part of this Agreement at any time or times by written notice to Seller: (a) if Seller fails to observe or comply with any covenants, terms, conditions or warranties contained in this Agreement; (b) if Seller, in Buyer's opinion, fails to make progress so as to endanger performance or shipment in accordance with this Agreement; or (c) in the event of any proceeding by or against Seller in bankruptcy or insolvency, the appointment of a receiver or trustee, or an assignment for the benefit of creditors is made by Seller. Further, Buyer may terminate this Agreement or any individual Purchase Order at any time for any reason or no reason upon thirty (30) days written notice to

Seller. Upon termination for cause, Buyer may produce or purchase or otherwise acquire the goods or services ordered under this Agreement elsewhere on such terms or in such manner as Buyer may deem appropriate, and Seller shall be liable to Buyer for any excess cost or other expenses incurred by Buyer. In addition, Buyer shall have all other rights and remedies provided by law, at equity and under this Agreement, and all of Buyer's rights and remedies shall be cumulative and none shall be considered exclusive. Upon termination for any reason, Buyer's only responsibility to Seller shall be the purchase price for: (a) goods previously made, delivered to, inspected and accepted by Buyer in accordance with the terms of this Agreement; and (b) services performed and accepted before the date of receipt by Seller of the termination notice.

10. INFRINGEMENT OF PROPRIETARY RIGHTS: To the extent that the goods supplied under this Agreement are not manufactured to detailed designs and specifications originated and furnished by Buyer, Seller represents and warrants that the sale or use of such goods will not infringe any United States or foreign patent, copyright, trademark, industrial design right or other proprietary right. Seller shall indemnify, defend and hold Buyer, its successors, assigns, shareholders, officers, directors, employees, agents, customers and those persons selling or using any of Buyer's products and any affiliated company of Buyer, its shareholders, officers, directors, employees, agents and customers, harmless from and against any damage, liability, claims, loss, costs, expenses and fees (including reasonable attorneys' fees) which may be incurred on account of infringement or alleged infringement of any United States or foreign patent, copyright, trademark, industrial design right or other proprietary right by the goods or use of the goods supplied under this Agreement. Buyer shall have the right to employ counsel separate from counsel employed by Seller in any proceeding for which Buyer may be indemnified by Seller and to participate in the defense thereof, but the expense of such counsel employed by Buyer shall be borne by Buyer unless Seller has failed to assume the defense of Buyer or employ satisfactory counsel. Seller shall reimburse Buyer on an on-going, periodic basis for all fees, costs and expenses incurred by Buyer promptly after submission of statements of expenses of Buyer during the pendency of any such proceeding. In addition to all other rights and remedies Buyer has at law, at equity or under this Agreement, in the event Buyer, its customers or anyone selling or using Buyer's products are enjoined from the use, sale or other disposition of the goods, conditionally or otherwise, Seller shall, at no additional cost to Buyer, repurchase the goods at their purchase price and/or Buyer's products at their purchase price, and repay all costs of all shipments of such goods and products incurred by Buyer.

11. COMPLIANCE WITH APPLICABLE LAWS AND EQUAL OPPORTUNITY: Seller shall comply with all applicable United States Federal, state, local and foreign (for purposes of clarity, non-United States) laws, rules and regulations relating to the goods and/or services to be furnished hereunder, including, but not limited to, the Federal Insecticide, Fungicide and Rodenticide Act, the Federal Fair Packaging and Labeling Act, the Federal Hazardous Substances Act, the Federal Toxic Substances Control Act, the Fair Labor Standards Act of 1938, and the Occupational Safety and Health Act of 1970, all as amended from time to time, and shall furnish certificates of compliance whenever requested by Buyer. Buyer and/or its affiliates serve(s) from time to time as a contractor for the United States Government. Accordingly, Seller shall comply with all applicable Federal laws, rules and regulations applicable to subcontractors of government contractors, including Section 202 of Executive Order 11246, as amended by Executive Order 11375, the Vietnam Era Veterans Readjustment

Assistance Act of 1974, the Rehabilitation Act of 1973, as amended, and those governing contracts with business concerns operating in areas of surplus labor (48 C F R., Part 20), with women owned business concerns (Executive Order 12138) and with small and disadvantaged business concerns (15 U.S.C. 637), all as amended from time to time, and shall furnish certificates of compliance whenever requested by Buyer. Contract clauses required by the Government in such circumstances, and all rules and regulations promulgated under the specific acts cited, are incorporated into this Agreement by reference.

12. RECALL OF GOODS: If Seller becomes aware that any ingredient in the goods is or may become harmful to persons or property, or that the design or construction of the goods or services is defective in any manner which is or may become harmful to persons or property, or if Seller otherwise breaches any of its warranties to Buyer hereunder, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Buyer, and Seller shall indemnify, defend and hold Buyer, its successors, assigns, shareholders, officers, directors, employees, agents, customers and those selling or using its products, and any affiliated company of Buyer, and its officers, directors, shareholders, employees, customers, agents and the users of its products, harmless from and against any and all damages, liabilities, claims, losses, costs, expenses and fees (including reasonable attorneys' fees) paid or incurred by them arising out of or relating or incidental to such goods or services provided by Seller, including, without limitation, any costs associated with recalling products developed, manufactured, or created by Buyer with the aid of such goods or services. Buyer may, at its option, be represented by and actively participate through its own counsel in any suit or action against the foregoing persons and entities. Should Buyer, either voluntarily or involuntarily, initiate a recall of such products, or if a governmental agency shall take action with respect to them, Seller shall assist and cooperate with Buyer in all respects with said recall, including, but not limited to, developing a recall strategy for the products and working with Buyer and any applicable governmental agency in monitoring Buyer's recall operation and in preparing and furnishing such reports, records or other such information as is necessary in connection therewith, and Seller agrees to pay all costs associated with such recall.

13. INDEMNIFICATION: Seller shall indemnify, defend and hold Buyer, its successors, assigns, shareholders, officers, directors, employees, agents, customers and those persons selling or using any of Buyer's products, and any parent, subsidiary or affiliated company of Buyer, its shareholders, officers, directors, employees, agent and customers and agents, harmless from and against any and all damage, liability, claims, loss, costs, expenses and fees (including reasonable attorneys' fees) arising out of or relating or incidental to any breach by Seller of the terms, covenants, warranties and conditions of this Agreement, or any act or failure to act by Seller or its agents, representatives or employees in the performance of this Agreement, including, but not limited to:

(a) Death or injury to persons or damage to property, by whomsoever suffered, claimed to have resulted from any alleged defect in the goods or services, or the performance by Seller of work or services pursuant to this Agreement, or the work or performance of services by Seller's agents, representatives or employees, on the premises of Buyer or one of its customers or suppliers, or from the failure of the goods to comply with any applicable sample or specification or with the express or implied warranties given by Seller, its agents, representatives or employees.

(b) Claims arising out of the alleged violation by Seller in the manufacture, processing, storage or sale of the goods, or in the performance by Seller of any work or services pursuant to this Agreement, of any applicable United States Federal, state, local or foreign (for purposes of clarity, non-United States) law, statute, ordinance, or administrative order, rule, regulation or standard.

Buyer shall have the right to employ counsel separate from counsel employed by Seller in any such proceeding for which Buyer may be indemnified by Seller and to participate in the defense thereof, but the expense of such counsel employed by Buyer shall be borne by Buyer unless Seller has failed to assume the defense of Buyer or employ satisfactory counsel. Seller shall reimburse Buyer on an on-going, periodic basis for all fees, costs and expenses incurred by Buyer promptly after submission of statements of expenses of Buyer during the pendency of any such proceeding.

14. **INSURANCE:** Seller shall carry (and shall require any Subcontractor to carry) the following insurance with an insurance company or companies acceptable to Buyer, and shall furnish promptly to Buyer an insurance carrier certificate evidencing such coverage and naming Buyer and any parent, subsidiary, affiliate or agent of Buyer (as requested) as an additional insured: workman's compensation insurance (including occupational disease) with statutory limits; employer's liability insurance with limits of \$1,000,000 for each occurrence with a minimum aggregate limit of \$10,000,000; automobile liability insurance (including non-owned automobile liability) each with limits of at least \$3,000,000 combined single limit for bodily injury and property damage per occurrence; Commercial General Liability ("CGL") insurance, ISO 1996 or later occurrence form of insurance, including Blanket Contractual Liability and Broad Form Property Damage, with limits of late least \$3,000,000 combined single limit for bodily injury and property damage per occurrence; if Seller is furnishing to Buyer (by sale or otherwise) products, material or construction, installation, maintenance or repair services is involved, CGL insurance endorsed to include products liability and completed operations coverage in the amount of \$10,000,000 per occurrence, which will be maintained for at least one (1) year following the expiration or termination of this Agreement; commercial crime insurance providing coverage in the amount of \$5,000,000 for each claim and in the aggregate for direct losses of money, securities and other property of Buyer (owned or leased) caused by the unlawful taking by any employee of Seller, acting alone or in collusion with others, which will name Buyer as a third party loss payee as its interests may appear; and Professional Liability Insurance with an aggregate limit of liability not less than \$10,000,000. Such insurance shall cover any and all errors, omissions or negligent acts in the delivery or performance of products, services and/or licensed programs under this Agreement. Such Professional Liability insurance shall include coverage for claims and losses with respect to network risks (such as data breaches, unauthorized access/use, identity theft, invasion of privacy, damage/loss/theft of or to data, degradation, downtime, etc.) and intellectual property infringement, such as copyrights, trademarks, service marks and trade dress. The Professional Liability Insurance retroactive coverage date shall be no later than the effective date of this Agreement. Seller shall continuously maintain such insurance or purchase an extended reporting period providing that claims first made and reported to the insurance company within two (2) years after termination of the Agreement will be deemed to have been made during the policy period. All the foregoing insurance must be primary and non-contributory and required to respond and pay prior to any other insurance or self-insurance available. Any certificate must set forth the amount of coverage, policy

number, date of expiration, and provide that Buyer shall be given at least sixty (60) days' written notice prior to any expiration, termination, non-renewal or material change in coverage unless under any applicable laws a shorter time period for notice is required, in which case such time period shall apply. If Seller is self-insured and registration with the state is required to evidence particular coverage, the certificate of the appropriate state agency of the state in which said work is to be performed must be furnished directly to Buyer by such state agency. Insurance companies providing coverage under this Agreement must be rated by A.M Best with at least an A- rating and a financial size category of at least Class VII.

15. ADVERTISING, NONDISCLOSURE OF CONTENTS OF AGREEMENT: Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise, publicize, publish or otherwise draw attention to the fact that Seller has furnished or contracted to furnish to Buyer the goods or services purchased hereby, or disclose any of the details connected with this Agreement to any third party except as required for procurement of supplies and services for use in the performance of this Agreement, and then only after the substance of this prohibition is inserted in its orders and made binding upon any third party. Additionally, Seller shall not in any press release, television or radio appearance or other public occasion (including via social media) or before any audience disclose or refer to Seller's relationship with Buyer. The terms of this section shall survive the termination of this Agreement for any reason.

16. PERSONNEL; SUBCONTRACTORS:

(a) Any of Seller's personnel who provide services under this Agreement on Buyer's premises shall do so in a workman like manner in accordance with the industry's best practices. All such personnel shall be duly qualified to perform the services and shall be authorized to perform the services in the applicable jurisdiction. Seller agrees that pre-employment drug screenings as well as legally permissible criminal background screenings will be performed on all personnel who provide services at Buyer location(s). Seller and the personnel providing the services shall comply in all respects with all safety regulations of any competent and applicable governmental authorities as well as any security rules or workplace policies Buyer may have in place. Seller shall be responsible for all acts of its agents and employees, its Subcontractors (as defined below) and the agents and employee of its Subcontractors, while working or otherwise present, at any Buyer location, by way of example but not limited to, any damage to the building and/or its contents whether caused by theft, vandalism, negligence, omission or other non-negligent acts. Buyer may charge the value of any such damage or loss to Seller, who shall be liable for payment of same to Buyer. In addition, and without prejudice to such other rights and/or remedies as Buyer may have, Buyer may offset monies to cover same from payments due Seller.

(b) Those portions of the manufacture of goods or provision of services that Seller does not customarily perform with Seller's own personnel shall be performed under subcontracts with entities or individuals selected by Seller ("Subcontractors"). Upon request, Seller shall inform Buyer of any Subcontractors engaged to provide goods or services under this Agreement and Seller shall be solely responsible for the performance of any Subcontractor. Further, Seller represents and warrants that any Subcontractor shall comply with the

obligations and requirements of this Agreement, specifically including any confidentiality, ownership and indemnification provisions and the Guidelines (as defined below).

(c) Buyer reserves the right, in compliance with any applicable law, to approve and/or replace any individual employee of Seller or Subcontractor providing the services hereunder and Seller agrees that it shall not replace any personnel or Subcontractor after the commencement of work without Buyer's consent.

17. CONFIDENTIAL INFORMATION, BUYER'S PROPERTY:

(a) Drawings, data, design, inventions, samples, order requirements and any other technical information supplied by Buyer as well as any information about Buyer's business operations, customers or employees that Seller is provided or has access to in its provision of the goods or services shall remain Buyer's property, and proprietary information and shall be held in confidence by Seller. Such information shall not be reproduced, used and/or disclosed to others by Seller without Buyer's prior written consent, which may be withheld in Buyer's sole discretion, except as required for the performance of this Agreement and except to the extent that Seller is able to establish to Buyer's satisfaction that such information: (i) was known by Seller at the time of disclosure to it by Buyer, (ii) became known to Seller after such disclosure to it by Buyer through a third party as a matter of right and without restriction on disclosure, or (iii) is or has become generally known or available to the public through no act or failure to act on the part of the Seller. All such information, including all reproductions, shall be returned to Buyer immediately upon demand, and otherwise upon completion or performance by Seller of this Agreement or its termination for any reason. The foregoing technical information shall be at all times labeled as confidential property of Buyer and treated in a confidential manner by Seller, and Seller acknowledges and agrees that disclosure of this information to the industry as a whole would injure Buyer's competitive advantage.

(b) All drawings, photographs, videos, data and/or specifications, designs, patterns, molds, tools, equipment, samples and all other items prepared by Seller and paid for by Buyer shall be considered works made for hire and shall be the sole and exclusive property and proprietary information of Buyer, and same, as well as any furnished hereunder to Seller by Buyer, shall be delivered to Buyer upon demand, and otherwise upon the completion or performance of this Agreement by Seller or its termination for any reason in the same condition as supplied, reasonable wear and tear excepted, or if not delivered to Buyer, then destroyed. No reproductions thereof shall be retained by Seller except as authorized in writing by Buyer. While the foregoing is in the possession of Seller, it shall be conspicuously labeled as the property of Buyer, be kept segregated from all other property of Seller and be kept fully insured by Seller, at Seller's expense, in an amount equal to its replacement cost with a loss payable clause or endorsement in favor of Buyer. In no event shall any such materials be used by Seller in its delivery of goods or services to other customers or clients.

(c) Seller shall at all times maintain an information security program that contains administrative, technical, and physical safeguards that are appropriate to the nature and scope of its provision of the good and services under this Agreement, and the sensitivity of any data or information that may be collected, stored or transmitted via any portal, platform or other technology provided or used by Seller.

(d) In the event that Seller is development, installing or providing software and/or systems for Buyer or services being provided under this Agreement that will require Seller to access or be provided with any credit card data belonging to Buyer or otherwise fall into the scope of PCI, such software, systems and/or services shall be developed and all code shall be stored on Buyer systems unless otherwise explicitly approved in writing by Buyer's Information Security Officer. Further, as specified in Requirement 6 of Payment Card Industry Data Security Standard ("PCI DSS"), Seller must employ secure coding practices for developing Buyer applications and change control procedures. Seller must develop software applications for Buyer in accordance with PCI DSS based on industry best practices and incorporate information security throughout the software development life cycle. As part of Seller's software development life cycle, Seller must conduct on-going application code review to identify coding vulnerabilities and remediate them before deploying them in the company's production environment.

18. LABOR DISPUTES: Whenever any actual or potential labor dispute delays or threatens to delay the timely performance of this Agreement by Seller, Seller shall immediately give notice to Buyer.

19. CHANGES: Buyer reserves the right to make changes within the general scope of this Agreement, except as to price or quantity, by any reasonable means, and if requested by Seller, such changes shall be confirmed in writing by Buyer. If any such change causes an increase or decrease in the cost of, or time required for, Seller's performance, the price therefor and/or time required for performance shall be equitably adjusted. Any claim for adjustment hereunder must be asserted in writing within thirty (30) days from the date the change is ordered. Failure on the part of either party to assert its claim within the time provided shall operate as a waiver thereof.

20. FORCE MAJEURE:

(a) Buyer reserves the right to defer any shipment under this Agreement, cancel or modify this Agreement or change any performance dates if Seller's production is delayed on account of strikes in Seller's plant or the plants of any of Seller's suppliers, fire, an act of God, governmental order or regulation or other conditions beyond Seller's control.

(b) Seller shall not be liable for delays or defaults in delivery due to fire, an act of God, governmental order or regulation or other unforeseeable causes beyond its control and without its fault or negligence, provided that Seller notifies Buyer within ten (10) days after Seller first knows of same, time of such notification being of the essence.

21. GUIDELINES; REPORTING; AUDITING:

(a) Seller acknowledges that it has been made aware of the Supplier Code of Conduct, Global Operating Principles and Anti-Corruption Policy (the "Guidelines"), which are located at <http://www.coach.com/governance-document.html>. Seller hereby represents and warrants that it has reviewed and understands the Guidelines, and that it is presently in compliance and will remain in compliance with the Guidelines for the term of this Agreement. Seller further represents and warrants that it shall provide these Guidelines to any Subcontractor and shall confirm such Subcontractor's compliance with the Guidelines. Furthermore, Seller agrees to notify Buyer immediately if Seller becomes aware that a

violation by Seller or any Subcontractor of the standards set forth in the Guidelines has occurred during the term of this Agreement. The Guidelines are hereby incorporated herein by reference. Buyer reserves the right to update and/or expand upon these Guidelines from time to time and any such updates or additions shall be posted at the site noted above.

(b) Seller agrees that it shall provide any reports, certificates of compliance, or other documentation confirming compliance with the Guidelines, security or confidentiality or applicable laws as may be reasonably requested by Buyer from time to time. Such reports, certificates of compliance or other documentation shall be in the format requested by Buyer and shall be delivered via email unless otherwise agreed in writing by the parties.

(c) Upon Buyer's request with not less than ten (10) days' notice and not more frequently than twice in any twelve (12) month period, Seller shall permit Buyer to audit Seller's books, records and operations relating to the any goods or services provided under this Agreement, the invoicing thereof and any security or confidentiality aspects of the services (specifically including any security or background check reports of any personnel or Subcontractor personnel) provided under this Agreement. Buyer audits may be conducted by the internal and external auditors and personnel of Buyer who have entered into or are subject to a non-disclosure agreement. Seller shall, in a timely manner, cooperate in a commercially reasonable manner with the auditors and provide the auditors commercially reasonable assistance as they may reasonably request in connection with Buyer's audit.

22. **GOVERNING LAW AND DISPUTE RESOLUTION:** This Agreement and any claim related directly or indirectly to this Agreement shall be governed by the laws of the State of New York. The parties hereby irrevocably and unconditionally submit (to the extent permitted by law) to the jurisdiction of the courts of the State of New York located in the City and County of New York and the United States District Court for the Southern District of New York for any legal action or proceeding arising out of this agreement or Seller's engagement hereunder, and each of the parties hereby irrevocably consents to service of process in any such action or proceeding by certified or registered mail at the address for such party set forth above.

23. **MISCELLANEOUS:** This Agreement and any payment or performance due under it may not be assigned, transferred, sublet, subcontracted or delegated, in whole or in part, by Seller without the prior written consent of Buyer. Buyer may assign its rights under this Agreement to any of its affiliated companies at any time, and this Agreement shall inure to the benefit of Buyer, its successors and assigns. No act or failure to act of Buyer shall constitute a waiver of any provision contained in this Agreement, and to be valid a waiver of any requirement or obligation under this Agreement must be in writing and signed by Buyer. The section headings contained herein are not part of this Agreement, but are included solely for the convenience of the parties.

24. **INDEPENDENT CONTRACTORS:** Nothing contained in this Agreement shall be construed as creating a partnership or joint venture between Buyer and Seller, and Seller shall at all times during the term of this Agreement be deemed to be an independent contractor, solely responsible for the manner by and the form in which it fulfills this Agreement. To the extent Seller's obligations under this Agreement require the performance of services by Seller on the premises of Buyer or any of Buyer's customers, Seller agrees that such services are to be rendered by Seller as an independent contractor and Seller shall comply with all of Buyer's or

said customer's safety rules and regulations and shall provide all safeguards and take all necessary precautions to prevent the occurrence of any injury to any person or property during the performance of such services.

25. NOTICES: Any notices, consents or approvals called for hereunder may be given by telephone, but shall be confirmed in writing to be delivered or sent by overnight delivery service or by certified mail, return receipt requested, enclosed in a sealed envelope with first class postage thereon, addressed in the case of Buyer to its office located at the address set forth on the Purchase Order, and in the case of Seller at such address as Seller shall provide Buyer, or if no address is provided, at Seller's principal offices. The address of either party may be changed by written notice to the other. Any notice will be deemed to have been received by a party the next day if sent by overnight delivery service and three (3) days from the date sent if given by certified mail, return receipt requested.

26. AMENDMENT: Except in accordance with the provisions of section 19 hereof, this Agreement may be amended only by a writing signed by representatives of both Seller and Buyer, each duly authorized to execute such amendment.

27. SURVIVAL: Notwithstanding any provision of this Agreement to the contrary, the terms of any clause that would survive by its nature shall survive the termination of this Agreement for any reason.

28. ADDITIONAL TERMS (AS APPLICABLE):

(a) Upon Buyer's request, Seller shall submit all invoices via Buyer's Ariba Procure-to-Pay solution and shall otherwise make use of such solution as reasonably requested by Buyer.

(b) Upon Buyer's request and pending Seller's technological ability, Seller shall create a custom e-catalog displaying all goods available for purchase by Buyer under the Purchase Order, which will display pricing specific to Buyer. This e-catalog will be integrated with Buyer's Ariba provided Procure-to-Pay solution at no additional cost to Buyer. Seller shall update this catalog as inventories and needs change or as may otherwise be agreed by the parties. Seller shall remedy any pricing discrepancy with twenty-four (24) hours of notice of such discrepancy from Buyer. Any overpayment resulting from Seller's display of incorrect pricing in any e-catalog shall either be refunded to Buyer or made available as a credit to Buyer against future purchases within three (3) days of Buyer's written notification (email accepted) to Seller detailing such error/overpayment.