

Hallmark Cards, Inc.
Agreement for Service Terms & Conditions

ALL ORDERS PLACED (WHETHER BY PAPER, FAX, ELECTRONIC OR OTHER TYPE OF SUBMISSION) BY HALLMARK CARDS, INCORPORATED OR ITS SUBSIDIARY IDENTIFIED IN THE PURCHASE ORDER WHICH IS PLACING THIS PURCHASE ORDER (hereafter "Company") WITH CONTRACTOR ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS WHICH MAY NOT BE VARIED WITHOUT THE WRITTEN CONSENT OF COMPANY.

1. Acceptance:

A. This agreement becomes effective when the Contractor's written acknowledgement is approved by the Company. In the absence of Contractor's written acceptance, any performance by the Contractor shall constitute acceptance of this agreement in accordance with the terms and conditions stated herein.

B. None of the terms and conditions contained in this agreement may be added to, modified, superseded or otherwise altered except by a written instrument signed by an authorized representative of the Company.

2. Enumeration of Documents:

This agreement shall consist of this document and the completed electronic order form from Company's Ariba system, which are jointly referred to as the "agreement."

3. Standard of Care and Liability:

The Contractor will take all possible precautions to prevent accidents or injuries to persons or property. The Contractor assumes full responsibility for, and releases the Company from any liability for, all loss or damage for any cause whatsoever to any tools, machinery, equipment, or other vehicles owned or rented by Contractor, its agents or sub-contractors, material men or their employees or to shanties or other temporary structures maintained for the use of the Contractor on the job site. To the extent such properties are insured this agreement serves as a release by Contractor of any claim against Company and Contractor shall procure a corresponding waiver of subrogation from its insurance carriers.

4. Insurance:

Throughout the term of this agreement, Contractor agrees to maintain at its own expense the following insurance, underwritten by insurers rated at least A-, VII by the AM Best company:

A. Commercial General Liability Insurance including Products/Completed Operations, Blanket Contractual Liability applicable to any hold harmless or indemnification obligation extended to Company by Contractor under this agreement and Personal Injury Liability with minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate for bodily injury and property damage claims combined. The policy shall include Company as an additional insured party for claims arising from the acts or omissions of Contractor or its employees, representatives or contractors and shall be arranged to acknowledge that is primary before any other insurances available to the additional insured parties.

B. Commercial Automobile Liability Insurance applicable to all owned, non-owned, or hired motor vehicles operated in the course of Contractor's business activities and providing coverage limits of at least \$1,000,000 per occurrence for bodily injury and property damage combined.

C. Workers Compensation insurance providing statutory benefits coverage and Employers Liability coverage with limits of at least \$500,000/\$1,000,000/\$500,000 applicable to all employees of Contractor who perform activities or work under this agreement.

D. Prior to performing work or services under this agreement, Contractor agrees to furnish Certificates of Insurance on Acord forms or the equivalent, confirming the above insurance, including all required coverage terms, to Director of Risk Management, P.O. Box 419580, Kansas City, Missouri 64141-6580, and keep said certificates current throughout the term of this agreement. Company's failure to require or demand evidence of insurance does not constitute a waiver of any requirement for Contractor to obtain insurance, nor does it limit Contractor's other obligations. Contractor agrees to notify the Director of Risk Management, in writing, 30 days in advance of any cancellation, non-renewal or coverage reduction in the required insurance. Under no circumstance will employees of Contractor be deemed to be the employees of, or under the direction or control of Company, for any reason.

5. Indemnification:

The Contractor agrees fully to defend, indemnify and save harmless the Company, its affiliates and subsidiaries, and their respective officers, directors, employees, and agents, from and against all claims, proceedings, lawsuits and actions, and all expenses incidental to the defense of any such claims or actions, based upon or arising out of (i) damages or injuries to persons or property or violation of any right of a third party (including but not limited to infringement of intellectual property), caused by any act or omission of the Contractor, or its subcontractors, agents, servants, or employees of either including, without limitation, injury or damage claims asserted against Company by employees of the Contractor and/or its subcontractors in connection with the performance of this agreement, or (ii) Contractor's breach of any of the provisions of this agreement, including but not limited to paragraph 14C. The Contractor shall promptly discharge all liens for wages and materials and shall defend, indemnify and hold the Company harmless from the same. If requested by Company, Contractor shall provide lien waivers from all subcontractors and suppliers prior to final payment by Company.

6. Proprietary Information:

The Contractor shall not at any time use or disclose the Company's confidential or proprietary information without the Company's prior written authorization except in the course of, in connection with and during the performance of Contractor's duties under this agreement.

7. Default:

Violation of any of the terms of this agreement by the Contractor shall give the Company the right to cancel this agreement without notice and without liability.

8. Non-assignability:

This agreement shall not be assigned by the Contractor without the prior written consent of the Company. Any attempted assignment without the Company's written consent shall be null and void. Upon the Contractor's selling, leasing or otherwise disposing of its assets or merging or consolidating with another, this agreement (if the Company so elects) shall terminate and the Company shall be under no obligation for work done following termination.

9. Warranty:

Contractor expressly warrants that services, materials and completed job shall be of good and workmanlike quality, fit for the intended use or purpose, free of defect and shall comply with all specifications.

10. Taxes, Licenses, Fees, Etc.:

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Contractor represents and warrants that it is an independent contractor for all purposes, including with respect to federal, state and local employment taxes. Contractor acknowledges and agrees that Contractor is solely responsible to and shall collect, pay and withhold all federal, state or local employment taxes, including, but not limited to, income tax withholding, unemployment taxes and social security contributions for Contractor's personnel, and that Company shall have no obligation or liability with respect thereto. Any and all such taxes, interest or penalties, including, but not limited to any federal, state or local withholding or employment taxes, imposed, assessed or levied as a result of this agreement will be paid or withheld by Contractor or, if assessed against and paid by Company, will be reimbursed by Contractor upon demand by Company. Contractor acknowledges and agrees that Company shall be entitled to deduct from any sum payable to Contractor any withholding of income or other taxes, as applicable, if required by the laws of the United States, except to the extent Contractor submits a certificate of exemption from, or reduced rate of withholding. Each time and material invoice submitted by Contractor for payment will clearly specify the charges for services performed in the United States in order for the amount of withholding taxes to be properly determined. Company shall remit any withheld taxes to the United States tax authorities and provide Contractor with an appropriate certificate of withholding. Company will not be further liable to Contractor for amounts withheld and remitted to the United States tax authorities.

11. Hazardous Material:

To the extent that hazardous materials (as defined in 29 CFR § 1910.1200) are present at or enroute to any site where services are to be performed pursuant to this agreement, the parties agree to abide by 29 CFR Section 1910.1200 regarding hazardous material notifications to their employees and to each other and specifically to notify each other of the location and quantities of such hazardous materials and to provide each other, upon request, with a Material Safety Data Sheet for such hazardous material. It is understood and acknowledged that contractor has full responsibility for complying with 29 CFR Section 1910.1200 with regard to its subcontractors.

12. Termination:

The Company shall have the right to terminate this agreement at any time with written notice of termination to the Contractor. The Company shall pay the Contractor for the work performed to date of termination.

13. Entire Agreement:

It is expressly understood and agreed that this agreement contains all of the agreements and understandings between the parties hereto and that there are no oral, collateral or other agreements which are not herein set forth.

14. General:

A. The Company assumes no responsibility for any services or goods shipped or performed without a completed order form having been issued.

B. The Contractor represents and warrants to the Company that materials or goods purchased hereunder may be utilized by Company in fulfilling its government contracts. Seller assures Company that it does not and will not maintain or provide for its employees any facilities in any of its establishments which are segregated on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, individual physical or mental disability, veteran status or any other legally-protected status, and that Seller does not and will not permit its employees to perform their services in any location under its control, which maintains segregated facilities. **Company and Seller shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.** If this contract is necessary to the performance of any federal government contract, then 29 CFR Part 471, Appendix A to Subpart A is incorporated by reference, as if fully set forth herein.

C. The Contractor shall comply with, and cause its subcontractors to comply with, all laws, regulations and ordinances applicable to the services, work or job to be performed pursuant to this agreement, including but not limited to obtaining and maintaining any licenses, permits or other authorizations that may be required.

D. This agreement shall be governed by and construed in accordance with the laws of the state of Missouri, without regard to that body of law controlling conflicts of law. Contractor hereby consents and submits to the jurisdiction of the federal and state courts located in Jackson County, Missouri in all questions and controversies arising out of this agreement.