

HALLMARK CARDS, INCORPORATED
PURCHASE ORDER 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 VENDOR ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS WHICH MAY NOT BE VARIED WITHOUT THE WRITTEN CONSENT OF COMPANY.

1. ACCEPTANCE:

A. This Purchase Order becomes effective when the Seller's written acknowledgment is approved by Company at Kansas City, Missouri. In the absence of Seller's written acceptance, any performance by Seller shall constitute acceptance of this Purchase Order in accordance with the terms and conditions herein stated.

B. None of the terms and conditions contained in this Purchase Order may be added to, modified, superseded or otherwise altered except by a written instrument signed by an authorized representative of Company and delivered by Company to Seller. Each shipment received by Company from Seller shall be deemed to be only upon the terms and conditions contained in this Purchase Order, notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice or other form of Seller and notwithstanding Company's act of accepting or paying for any shipment or similar act of Company.

2. PAYMENT:

A. Unless different payment terms are expressly stated on this Purchase Order, payment terms shall be two percent ten net sixty (2%/10, N60) days from Company's receipt of a properly prepared invoice. Company shall make all payments in US dollars by ACH or wire transfer.

3. WARRANTIES: Seller warrants that it shall comply with all terms and conditions contained in Company's Vendor Compliance Manual, expressly including but not limited to potential fees and penalties chargeable to Seller by Company for noncompliance with its terms (the "VCM"). [insert link] In the event of conflict between the VCM and the terms of this Purchase Order, the terms of this Purchase Order shall control. If both the VCM and this Purchase Order require a standard of compliance for the same aspect or activity, the higher standard shall apply. In addition, Seller warrants the following:

A. All articles furnished hereunder shall be free from defects in workmanship and material and shall comply with the terms of this Purchase Order and any drawings and specifications incorporated herein. If any article delivered hereunder does not comply with any implied or expressed warranties, Company may require Seller to correct at no cost to Company, or return such defective or non-conforming article to Seller and recover from Seller the contract price and handling costs.

B. The goods covered by this Purchase Order are of merchantable quality and fit and safe for consumer use.

C. The use, sale, offer for sale, or importation of the goods delivered hereunder shall not infringe any patent covering the goods themselves or covering a process by which the goods are made, and the goods do not infringe any other intellectual property right such as trademark or copyright.

D. The goods covered by this Purchase Order have been manufactured in accordance with the requirements of the Fair Labor Standards Act and Company Supplier Code of Conduct and Supplier's performance under this Purchase Order will comply with all applicable anti-corruption laws, including, but not limited to the US Foreign Corrupt Practices Act..

E. The labeling of goods furnished hereunder shall comply with applicable industry guides specified by the Federal Trade Commission.

F. All articles and services covered by this Purchase Order meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Law (Public Law 91-956) and its regulations in effect or proposed as of the date of this Purchase Order.

G. All goods comply with applicable Federal and state laws and regulations, including, but not limited to, the Textile Fibre Products Identification Act, the Flammable Fabrics Act, the Consumer Product Safety Act, the Food, Drug and Cosmetic Act and the Hazardous Substances Act, all as amended.

H. All inks, paints, dyes and surface coatings used in the production of this Purchase Order will not contain more than 0.009% lead by weight and that all other parts, components or substrates that become part of the goods delivered under this Purchase Order will not contain more than 0.03% lead by weight.

I. All goods covered by this Purchase Order, including all packaging, as well as all raw materials used in the production thereof will not contain any PFAS (per-fluoroalkyl and poly-fluoroalkyl substances).

J. The sum of the concentration levels of lead, cadmium, mercury and hexavalent chromium in any retail, wholesale or shipping package or packaging component as well as any raw material packaging represented by this Purchase Order shall not exceed 100 parts per million (0.01%) by weight.

4. INSPECTION:

A. Any article purchased hereunder shall be subject to inspection and test by Company, to the maximum extent practicable at all times and places including the period of manufacture in any event prior to final acceptance. Final inspection and acceptance of goods shall be made by Company after delivery or as otherwise indicated in this Purchase Order and shall be conclusive except as regards latent defects and Seller's warranty obligations. No inspection, acceptance or payment shall relieve Seller from responsibility for defects or other failure to meet the requirements of the Purchase Order.

5. CHANGES:

A. Company may at any time by a written change order issued by an authorized purchasing representative, increase or decrease the quantity of articles to be furnished hereunder, extend the time of delivery or make changes within the general scope of the Purchase Order in any one or more of the following:

Drawings, Designs, or Specifications
Method of Shipment or Package
Place of Delivery

An equitable adjustment in price shall be made as a result of the above.

6. INVOICES:

A. Invoices shall be submitted in duplicate and shall contain the following information:

Company Purchase Order Number	Description of Articles	Quantities	Extended Totals
Item Number	Sizes	Unit Prices	Sales Tax

7. DEFAULT:

A. Time of delivery is the essence of this Purchase Order. Company may, by a written notice of default to the Seller, cancel the whole or any part of this Purchase Order if Seller fails:

- (1) To make delivery of the goods or to perform the services within the time specified herein, or any extension thereof by change notice;
- (2) To replace or correct defective goods in accordance with the provisions of the paragraph entitled "Warranties"; or
- (3) To perform any of the other provisions of this Purchase Order or fails to make progress so as to endanger performance of this Purchase Order.

8. TERMINATION:

A. Company may at any time and by written notice terminate this Purchase Order or any part thereof at its convenience.

9. SHIPMENT:

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Hallmark Cards, Incorporated

1 of 2

Confidential

Form Approved November 15, 2022

- A. All goods are to be packed in accordance with sound commercial practice unless otherwise specified in this Purchase Order.
- B. A complete packing list shall be enclosed with all shipments hereunder.
- C. Seller shall mark all shipments with the necessary shipping information including the Company Purchase Order Number, dates of shipment, and addresses of consignor, consignee, and the Seller with whom the order was originally placed.
- D. Direct shipments by other than the Seller as shown on the Purchase Order may not be made without prior notification and approval by Company.
- E. Substitutions, excess quantities and untimely shipments are not acceptable without Company's express written approval. Non-conforming shipments may be held at Seller's risk and exposure or returned to Seller at its expense, at Company's option.

10. GENERAL:

- A. Company assumes no responsibility for any materials or goods shipped without a signed Purchase Order having been issued.
- B. When furnished or purchased by Company, tools or dies together with incidental fixtures and materials necessary for the manufacture of goods ordered shall remain the property of Company, be used in production of goods for Company and kept in repair by Seller for the reasonable life expectancy of the tools or dies. In the event that Company does not reorder goods produced by such tools, dies for a period of two years, Seller shall have the right to dispose of such tools at Company's directions.
- C. This Purchase Order shall be governed by the Uniform Commercial Code in the State of Missouri as effective and in force on the date of this Purchase Order. Seller 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 Purchase Order. The warranties set forth in this Purchase Order, and any remedies specified in connection therewith, are in addition to those provided by law, and nothing herein shall narrow or lessen the warranties and remedies available to Company by applicable law. This Purchase Order may not be assigned by Seller without Company's written consent.
- D. 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 Purchase Order 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.
- E. Proprietary information: Seller shall not at any time use or disclose Company's proprietary information without Company's prior written authorization except in the course of, in connection with and during the performance of Seller's duties under this Purchase Order.

11. TAXES:

- A. Seller represents and warrants that it is an independent contractor for all purposes, including with respect to federal, state and local employment taxes. Seller acknowledges and agrees that Seller 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 Seller'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 Purchase Order will be paid or withheld by Seller or, if assessed against and paid by Company, will be reimbursed by Seller upon demand by Company.
- B. Seller acknowledges and agrees that Company shall be entitled to deduct from any sum payable to Seller any withholding of income or other taxes, as applicable, if required by the laws of the United States, except to the extent Seller submits a certificate of exemption from, or reduced rate of withholding. Each time and material invoice submitted by Seller 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 Seller with an appropriate certificate of withholding. Company will not be further liable to Seller for amounts withheld and remitted to the United States tax authorities.

12. INDEMNIFICATION:

- A. Seller agrees to indemnify, defend and hold harmless 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, error or omission of the Seller, or its subcontractors, agents, or employees of either, or (ii) Seller's breach of any of the provisions of this Purchase Order.
- B. Seller agrees to reimburse Company for:
 - (i) any and all amounts paid by Company (including transportation costs) to Supplier for;
 - (ii) any lost profits arising from; and
 - (iii) any costs, including charges imposed by Company's customers, incurred by Company related to rejection of any goods supplied under this Purchase Order that do not comply with Section 3.I.