

DSW General Terms and Conditions of Purchase

Summary of General Terms and Conditions of Purchase

IMPORTANT NOTICE TO ALL VENDORS: This DSW Inc. ("Buyer") purchase order ("PO") is provided to supplier ("Vendor") and is subject to Buyer's General Terms and Conditions of Purchase, the Vendor Requirements and Guidelines, DSW's Fur Policy and the DSW Domestic Footwear & Accessories Logistics Guide (collectively, the "Additional Terms"), which are available on the DSW Vendor Website located at <http://www.dswinc.com/vendors.jsp>. Buyer may provide this PO to Vendor by any means, including via email as an attachment. Absent written rejection of the terms of this PO or the Additional Terms within ten (10) days of receipt, this PO and the additional Terms are accepted as of the date of this PO. Different or additional terms proposed by Vendor are expressly rejected and invalid. For additional information concerning this PO or logistics compliances, please visit the DSW Vendor website. PO's can be validated no later than 5 days prior to "Start Ship" date. For validation, please email DSW's Domestic Transportation Department at traffic@dswinc.com or call (614) 872-1558. PO routing requests can be obtained via the DSW Vendor Website, e-mail or facsimile request. Requests via facsimile may be sent to (614) 872-1559, Attn: Domestic Transportation.

GENERAL TERMS AND CONDITIONS OF PURCHASE

The general terms and conditions ("Terms") of this purchase order ("PO") constitute an offer by Buyer to Vendor for the outright purchase of all goods, merchandise, materials, works and services listed on the PO, and all property rights therein including all right, title and interest in foreign and domestic industrial and other rights of any nature whatsoever, including personal rights and the right of Buyer and its successors and assigns, to protect the same by patent, trademark, copyright or otherwise ("Goods"). The parties agree to be bound as follows:

1. **Acceptance of Terms.** Vendor's acceptance of this PO is expressly limited to and conditioned upon acceptance of the Terms, which Terms cannot be altered or amended without Buyer's express written consent signed by an authorized agent of Buyer. This PO constitutes the complete, exclusive and final agreement between Buyer and Vendor. ACCEPTANCE OF THIS PO IS EXPRESSLY LIMITED TO THE TERMS HEREIN AND ANY ADDITIONAL OR DIFFERENT TERMS PROPOSED BY VENDOR ARE REJECTED WITHOUT FURTHER NOTIFICATION BY BUYER.

2. **Transfer of Interest, Rights, and Title to Buyer; Buyer's Retained Rights.** Acceptance of Buyer's payment constitutes Vendor's transfer of all right, title and interest in Goods. The property rights in Goods extend to all items specially made, prepared, written, designed, or adapted for Buyer's use, including, but not limited to, artwork, drawings, sketches, writings, manuscripts, designs, photographs, and machinery. Vendor warrants to Buyer that Vendor has the full power to transfer to Buyer all such right, title and interest in Goods. Such rights may only be limited or conditioned by these Terms. Where Goods are made bearing Buyer's trademarks, trade names, copyrights, or logos ("Buyer Trademarks"), all right, title, and interest in the Buyer Trademarks shall remain with Buyer at all times. Vendor agrees that all use, and any and all goodwill associated therewith, of the Buyer Trademarks will inure to the exclusive benefit of Buyer and that no goodwill or other interest in the Buyer Trademarks is conferred upon Vendor. Vendor is granted a limited, nonexclusive and nontransferable license and right to use Buyer Trademarks solely for purposes of fulfilling its obligations under this PO. Buyer Trademarks are the sole property of Buyer and nothing contained herein gives Vendor any right, title or interest in the Buyer Trademarks apart from the limited license granted hereunder. Vendor agrees that it will not use, reproduce, display, modify or alter in any way the Buyer Trademarks.

3. **Shipping of Goods.**

a. Vendor shall clearly indicate Vendor's name, PO number, location name and number, department number and number of cartons, including style, style number, color, size and quantity of contents contained therein, on the outside of each carton and on each bill of lading or manifest tendered to the shipper. Unless otherwise stated in this PO, all Goods shall be packed for shipment and stored in full compliance with Vendor's standard commercial practices and with the Logistics Guide included in the Additional Terms. FAILURE TO COMPLY WITH ANY REQUIREMENTS OF THIS PO OR THE ADDITIONAL TERMS MAY RESULT IN A CHARGEBACK OR CANCELLATION OF THIS PO. To the extent the Terms conflict with the Additional Terms, the Terms of this PO shall control.

b. Unless otherwise stipulated or agreed by Buyer in writing, all Goods are to be shipped Free On Board ("FOB") Buyer's distribution center (Incoterms 2000: Delivered Duty Paid ("DDP") Destination, referred to herein as the "Ship To Destination").

4. **Billing, Invoices, Price, and Payments.**

a. Vendor shall prepare a separate invoice for each department and each PO within a shipment. All invoices, bills of lading, packing slips, customs documents (i.e., origin declarations, quota statements, footwear forms, APHIS certifications, etc.) and correspondence must be in English and show the: PO number, number of cartons, shipment weight, shipper's name, Vendor's name, full name and address of the actual manufacturer of the Goods, routing information, date shipped, and accounts payable vendor number. Invoices must provide a complete description of the Goods by style, style number, color, size, and unit cost, and the technical and commercial description and composition of the Goods. Invoice line detail must be individually extended and all line totals must be extended to total invoice amount stated in U.S. Dollars. The invoice shall state the full FOB or DDP price per unit and in total, including all prepayments. No charges are allowed for any additional costs including boxing, crating, drayage, or storage unless specifically stated on the PO. If any quota charges, materials, components, packing, tools, dies, molds or similar items are supplied free of charge or at a reduced cost by Buyer or a third party and not reflected in the unit price, the invoice shall separately state these values and describe their nature. If this PO provides a single shipping date, Vendor shall pay all transportation, freight, and insurance charges on all additional shipments. If merchandise is sold on a DDP or Cost of Insurance and Freight ("CIF") basis (as defined under Incoterms 2000), Vendor agrees to provide an invoice or similar document from the shipper evidencing all freight insurance costs. Failure to comply with the above billing terms may result in a delay in invoice processing and chargebacks to Vendor.

b. All documents shall accurately reflect the actual quantities shipped. All quantities received are subject to verification by Buyer. Differences between the quantity invoiced and the quantity received will be charged back to Vendor. Each shipment shall be individually manifested. Original invoices are to be mailed on the day of shipment to DSW Inc., PO Box 13390, Columbus, Ohio 43213-0390, U.S.A. Attn: Vendor Finance. Invoices, packing lists and related documents must be mailed or electronically transmitted and must not be within the shipment. No invoices will be honored or accepted by Buyer if submitted later than 30 days after receipt by Buyer of the Goods.

c. All prices will be stated in U.S. Dollars. All amounts due will be paid in U.S. Dollars. If, prior to shipment of Goods, Vendor reduces its price for the same Goods sold to any other customer of Vendor, the price specified in the PO shall be reduced to match the lowest price for any customer of Vendor. No increase in the price of Goods shall be effective while there is an open PO unless approved in a writing signed by an authorized agent of Buyer. Vendor agrees that prices quoted and shown on the PO include all applicable federal, state and local taxes. No merchandise from Burma (Myanmar) will be accepted.

d. Buyer reserves the right to an anticipation discount for early payment of invoices at an annual rate of interest equal to the sum of four basis points plus the prime rate of interest as announced from time to time by Chase Bank, N.A. as its prime rate.

5. **Risk of Loss.** If Vendor is using a carrier designated by Buyer, the risk of loss will pass from Vendor to Buyer when Vendor delivers Goods to such designated carrier. If Vendor does not use a carrier designated by Buyer, the risk of loss will remain with Vendor until Goods are delivered to the Ship To Destination set forth herein. Any of Buyer's equipment, materials or goods which are in the possession or control of Vendor shall be and remain the property of Buyer, and any loss or damage occurring to the same shall be the responsibility of Vendor.

6. **Modification or Cancellation of PO.** At any time prior to acceptance, Buyer may revoke, amend, or modify the Terms of this PO. After acceptance, and notwithstanding any Terms of this PO, Buyer may reasonably adjust the Ship To Destination, the designated carrier, or the scheduled date of delivery, not less than fifteen (15) days prior to the scheduled date of delivery. UNDER NO CIRCUMSTANCES WILL BUYER BE LIABLE TO VENDOR AS A RESULT OF ANY CANCELLATION AFTER ACCEPTANCE FOR ANY AMOUNT IN EXCESS OF THE PURCHASE PRICE SET FORTH IN THIS PO. BUYER SHALL NOT BE LIABLE FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, WHETHER BASED UPON THEORIES OF CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF OR RELATING TO THIS PO.

7. **Force Majeure.** Either party shall be excused from performance of its obligations under this PO if such party suffers a force majeure event, which shall mean and be limited to an event caused by an act of God, epidemic, earthquake, fire, flood, riot, civil disorder, terrorism, government regulation or action, or other substantially similar cause, and which could not have been prevented or circumvented by reasonable precautions or commercially accepted processes of the party experiencing the force majeure event; provided that a party that suffers a force majeure event shall immediately inform the other party upon the occurrence of such event and shall take all reasonable steps to remedy the situation so that it is again able to perform its obligations under this PO. A force majeure event does not include labor disputes or shortages of raw materials, transportation, fuel or supplies. Buyer may immediately terminate this PO without liability upon notice of any such force majeure event.

8. **Vendor's Insolvency.** If Vendor becomes insolvent or makes an assignment for the benefit of creditors, a bankruptcy, reorganization, or like proceeding is instituted by or against Vendor in any jurisdiction, or a receiver or trustee is appointed with respect to Vendor's property, Buyer may cancel any PO, in whole or in part (prior to handover by Vendor to the carrier designated by Buyer or if no such carrier is designated then prior to delivery of Goods to Buyer). Such cancellation shall be without liability to Buyer and shall not constitute a waiver of Buyer's right to exercise any other rights and remedies available under this PO, the Additional Terms and/or applicable law.

9. **Buyer's Rights and Remedies.**

a. **Vendor's Failure to Comply with Terms.** Buyer has the right to impose chargebacks on Vendor or recover or set-off damages caused to Buyer, both as against this PO and any other PO, in the event of (i) any variation from the Terms of this PO, (ii) shipment of defective Goods or breach of any warranties hereunder, (iii) any failure by Vendor to comply with the Additional Terms, including the DSW Domestic Footwear & Accessories Logistics Guide (as amended from time to time, the "Logistics Guide," a copy of which may be obtained by accessing Buyer's website at http://dswinc.com/vendors_compliance.jsp), the terms of which are incorporated herein, or (iv) any other policies communicated to Vendor by Buyer from time to time. Buyer may communicate policies or procedures, or publish the Logistics Guide, on a website maintained by Buyer and upon publication on such website, Vendor will be deemed to have notice of any additions, deletions or modifications thereto. Vendor shall be solely responsible for monitoring any such changes and ensuring Vendor's compliance therewith. Such changes will be effective and binding upon parties (including Buyer, Vendor, and any affected third parties) upon the date that is thirty (30) days from the date of its publication; provided, however, that modifications that impose additional material obligations on Vendor, excepting those imposed under this paragraph that permit Buyer to recover or set-off damages, will not apply to any POs pending and outstanding as of the effective date of such modification.

b. **Late Delivery.** The "Cancel If Not Shipped Date" on the front hereof shall be determined by the date of receipt set forth on the applicable forwarder's cargo receipt, ocean, truck, or domestic bill of lading or airway bill. Vendor shall immediately advise Buyer, identifying the PO number and department number, if any part of this PO cannot be shipped in time to be received by the date specified in this PO. This PO is deemed cancelled if shipment is not made before the Cancel If Not Shipped Date. Vendor shall not ship without the written consent of Buyer on or after the Cancel If Not Shipped Date, nor shall Vendor ship before the "Start Ship Date" on the front hereof without Buyer's written consent. At Buyer's option, Buyer may accept a late shipment and pay for Goods received which are in conformance with the PO, reject all or part of the shipment, or cancel all or part of this PO. Partial acceptance shall in no way bind Buyer to accept further deliveries on any other part of this PO, nor shall acceptance be construed as waiver of any of Buyer's rights to recover damages for late or partial delivery. Each PO issued by Buyer to Vendor will be a separate contract and multiple POs are not intended to be parts of an installment contract.

c. **Excess Goods.** No Goods in excess of quantities ordered shall be shipped by Vendor to Buyer. In the event that excess quantities are shipped, Buyer, in its sole discretion, may accept such additional quantities at a discounted price in an amount determined by Buyer or return the excess Goods to Vendor at Vendor's cost.

d. **Expenses; Vendor's Resale of Goods.** All rejected, cancelled, or returned Goods shall be returned at Vendor's expense. In recognition of the additional expense incurred by Buyer on returns (i.e., labor, time, packaging, shipping etc.) it is within Buyer's right to charge Vendor an additional handling fee on all Goods returned to Vendor. Handling fees are set forth in the Logistics Guide and are subject to change at any time without notice to Vendor. If Vendor rejects the return, Buyer shall have the right to dispose of the Goods in any commercially reasonable manner and obtain damages from Vendor. Vendor may not resell any Goods, including cancelled product, overstocks, overruns, defectives, and irregulars, which incorporate Buyer's intellectual property, labels, or marks without (i) prior written approval of Buyer and (ii) removal of all such intellectual property, marks and labels.

10. **Vendor's Representations and Warranties.** By accepting this PO, Vendor represents and warrants to Buyer that Vendor has full right and title to the Goods and that the Goods furnished hereunder: (a) are (i) free from defects in materials, workmanship, and fabrication, (ii) of the quality, quantity, size, description, color and dimensions specified by Buyer, (iii) affixed with all required tags, labels and other printed materials, which are true and correct in all respects, (iv) contained in packaging with tags, labels and other printed materials, which are true and correct in all respects, (v) capable of being resold without restriction and no labels attached thereto need to be removed prior to any such resale, (vi) tested and certified as to containing the ingredients or materials indicated on the label according to accredited testing and certification bodies approved by Buyer and may be handled, worn and/or used without causing harm to any person or damage to property, (vii) fit for such particular purpose and uses, if any, specified by Buyer or otherwise known to Vendor, and (viii) in strict accordance with Buyer's specifications, descriptions and approved samples or prototypes; (b) are in compliance with normal retailing standards with respect to colorfastness, wash fastness and light fastness; (c) will pass without objection in the trade, are of first quality and conform to the promises or affirmations of fact made by Vendor or its agents; (d) are delivered to Buyer free from any security interest or other lien or encumbrance of any person and Buyer shall have good title thereto; (e) are authentic (not counterfeit), are authorized for sale in the United States, the United Arab Emirates, Bahrain, Kuwait, Oman, Qatar, and Saudi Arabia, and do not and will not infringe on any foreign or domestic patent, trademark, trade name, copyright or other similar intellectual property interest of any person, arising out of or relating to the sale or use of such Goods; (f) are new and unused; (g) comply with all applicable foreign, and U.S. federal, state and local laws, ordinances, orders, standards, rules, regulations, including all country of origin requirements established by the U.S. Customs Service; (h) where applicable, comply with the standards of Underwriters Laboratories, Inc. ("ULI") and bear the ULI stamp of approval; (i) were manufactured in accordance with U.S. and local labor laws and that no Goods were produced using child, forced, indentured or convict labor contrary to local and/or U.S. legal requirements; and (j) Vendor agrees that Vendor shall be considered the manufacturer of all Goods furnished hereunder and, as such, is required to comply with all legal and disclosure obligations which may be required by the SEC pursuant to the Conflict Minerals Rule, Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act, if any. For all Goods supplied by Vendor to Buyer, Vendor is obligated to comply with California's Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"). For Goods that require a Proposition 65 warning, Vendor must place warnings that comply with Proposition 65 directly on such Goods. Vendor shall bear full legal responsibility for providing consumers with any warning required under Proposition 65. Vendor must also notify Buyer, in writing, of any Goods that contain a chemical on the State of California Proposition 65 chemicals list that require a Proposition 65 warning, and such notice shall include: the product name; the listed chemical(s); and the warning statement to be provided to consumers of such goods. If Vendor fails to provide a proper on-product warning and/or fails to timely and properly notify Buyer of any product that requires a Proposition 65 warning, Vendor will defend, indemnify and hold Buyer and its subsidiaries, affiliates, parents, successors and/or assigns harmless from and against any and all loss, damage, liability, fees, cost and/or expense whatsoever including reasonable legal fees and expenses, direct, special, incidental and consequential damages arising out of or relating to any Proposition 65 violations. Vendor also agrees that it shall not manufacture, import or supply to Buyer any Goods (including, but not limited to, handbags and footwear) that exceed the following lead limits: (i) Paint or other surface coating: 90 parts per million ("ppm"); (ii) Leather (including composited leather): 300 ppm; (iii) Polyvinyl chloride ("PVC"): 200 ppm; and (iv) Other accessible components including metal, glass or rhinestones: 300 ppm. Vendor agrees to comply with Buyer's testing requirements as set forth in the DSW Domestic Footwear & Accessories Logistics Guide, which may be revised by Buyer from time to time, and to comply with Buyer's Fur Policy, and Vendor shall not provide to Buyer any Goods containing animal fur (excluding wool, shearling and skin (e.g., leather, calf-hair leather, lamb hair, sheepskin, and lambskin), and faux fur). Vendor further agrees to indemnify and defend Buyer and Buyer's subsidiaries, affiliates, parents, officers, employees and agents against all damages, demands, claims, and costs (including reasonable attorney's fees) that arise as a result of Vendor's non-compliance with the foregoing representations and warranties. Vendor agrees to pay all costs associated with any lead testing that may be required or requested by Buyer or any government agency (whether foreign or domestic) to certify or confirm Vendor's compliance with the obligations contained herein. The representations and warranties set forth in this Section shall survive shipment, inspection, testing, acceptance and payment for or use of the Goods delivered hereunder or termination of this PO. Statements of Vendor made by its sales agents or in its advertising or promotional materials as to the quality, grade, performance and use of the Goods shall be express warranties of Vendor made to Buyer in connection with this PO.

Buyer is not under any duty to inspect Goods before resale and all warranties shall survive inspection, acceptance and payment by Buyer. Defects are not waived by failure to notify Vendor after receipt or inspection by Buyer. Resale, repackaging, repacking, dividing for the purpose of resale or otherwise disposing of the Goods by Buyer shall not be considered an acceptance of the Goods so as to bar Buyer's right to reject the Goods and/or recover damages from Vendor.

11. **Buyer's Inspection Rights**. Buyer shall have the right to inspect Vendor's, and Vendor's supplier's facilities, warehouses and manufacturing plants. Vendor shall provide Buyer all information relating to the origin and location of manufacture of Goods, including compliance with all workplace laws. Vendor further agrees to: (i) keep books and records (including without limitation all original documents) regarding the site of manufacture, inspection reports, fabric content and any agency relationships with respect to such Goods; (ii) maintain such books and records for a minimum of 6 years after the sale of such Goods to Buyer; and (iii) make such books and records available to Buyer for inspection, immediately upon Buyer's request.

12. **Confidential Information**. Vendor acknowledges that all specifications, descriptions, testing and certification results, drawings, blueprints, nomenclature, samples, models, designs, patterns and other information furnished to Vendor by Buyer pursuant to this PO constitute the confidential information and trade secrets of Buyer. Vendor agrees that it will not use, copy, reproduce or disclose to any person any such confidential information or trade secrets except upon the express written consent of Buyer, which may be withheld for any reason. Vendor also acknowledges and agrees that, in the event of a breach of this Section, monetary damages may not be an adequate remedy and that Buyer shall be entitled to such other remedies as may be available in law or equity. Vendor acknowledges that the confidential information or trade secrets disclosed by Buyer represents its valuable property, which is intended to be maintained in perpetuity as trade secret property. Accordingly, the confidentiality and non-use obligations hereunder shall be continuing in nature and shall survive termination of this PO.

13. **Insurance**. At Vendor's expense, Vendor shall obtain and maintain commercial general liability insurance including coverage for products liability/completed operations, with an insurance company satisfactory to Buyer. Such insurance shall have a broad form Vendor's endorsement naming Buyer and its subsidiaries and affiliates and its officers, directors, employees and agents as additional insureds in the minimum combined single limit of \$1,000,000 for bodily injury and property damage. Coverage shall not be terminated or changed without at least 30 days prior written notice to Buyer. Vendor shall furnish Buyer with certificates of insurance at the time of the first purchase by Buyer and evidence of all renewals, listing the coverages and amounts therein. The purchase of such insurance and furnishing of such certificates shall not satisfy any of Vendor's obligations hereunder or in any way modify Vendor's agreement to indemnify Buyer as provided herein.

14. **Indemnification**. Vendor agrees to defend, protect and save harmless, Buyer, its subsidiaries, successors, assigns, customers and users of its Goods against any suit, damage, claim, demand, or expense (including reasonable attorneys' fees): (a) from actual or alleged infringements of any foreign or domestic patent, trademark, trade name, copyright or other industrial, personal and intellectual property rights of any nature whatsoever; (b) arising out of any claim for damages from, defects in the Goods, whether latent or patent, in material or workmanship, defective design, defective warnings or instructions; (c) arising out of Vendor's negligence; (d) arising out of any claim by a consumer of Vendor's products that such product is adulterated or misbranded (as such terms are defined by 21 USC 361 et seq.) or is otherwise alleged to be the source of harm to a person; or (e) upon any other breach by Vendor of any representation or warranty made herein. Buyer shall have the right to appoint counsel for and defend itself against civil, administrative or criminal actions, suits, or proceedings arising out of the foregoing even if any of the allegations thereof are groundless, false or fraudulent. Amounts owing to Buyer by Vendor as a result of this Section shall be paid to Buyer by Vendor immediately following written notice by Buyer. Buyer shall have the absolute right to control the conduct of any threatened litigation or litigation instituted against it and to settle and compromise any claims made against it without notice or approval of Vendor, without affecting or reducing Buyer's right to be indemnified by Vendor hereunder.

15. **Survival**. All indemnities, warranties, guarantees and representations shall survive shipment of Goods or termination of this PO, are for the benefit of and shall be enforceable by Buyer, any party to whom Buyer resells the Goods, and the officers, directors, employees, affiliates, subsidiaries, heirs, successors and assigns of each of them and shall not be exclusive of any other representatives and warranties made by Vendor, whether express or implied.

16. **Miscellaneous**. This PO, and the rights and obligations of the parties hereto, shall be governed construed and enforced in accordance with the laws of the State of Ohio, without regard to principles of conflicts of laws. The United Nations Convention on Contracts for the International Sale of Goods shall have no application to this PO, or any actions hereunder or contemplated hereby. The parties agree that any litigation relating directly or indirectly to this PO shall be brought before and determined by a court of competent jurisdiction in Franklin County, Ohio. Vendor may not assign all or any part of this PO. Buyer may freely assign this PO.