

TERMS AND CONDITIONS OF PURCHASE

1. **GENERAL:** For purposes of these Terms and Conditions of Purchase, the term “Talbots” shall mean The Talbots, Inc. The term “Order” shall mean, collectively: (i) a written purchase order (including electronic versions thereof) issued by an authorized representative of Talbots to a supplier of goods and/or services (“Supplier”); and (ii) these Terms and Conditions of Purchase. For purposes of these Terms and Conditions of Purchase, the term “Goods” shall mean, with respect to any Order, the goods covered by such Order, and the term “Services” shall mean, with respect to any Order, the services covered by such Order. In the event of any conflict between these Terms and Conditions of Purchase and the other express terms of the applicable Order, the other express terms of the Order shall govern.

2. **ORDERS:** The Order constitutes an offer by Talbots to Supplier to purchase the Goods or Services on the terms and conditions stated therein. The Order shall become a contract binding upon Talbots and Supplier upon acceptance thereof either by acknowledgment or performance. These Terms and Conditions of Purchase shall apply to all future purchases by Talbots, unless otherwise provided in a writing signed by Talbots or in a form submitted by Talbots to Supplier. These Terms and Conditions of Purchase, as they relate to an Order and all future purchases by Talbots, hereby supersede and replace all versions of the terms and conditions contained in any previous purchases by Talbots.

3. **CHANGES:** Talbots reserves the right at any time prior to Supplier’s shipment of Goods to make changes in the Order, including, without limitation, changes in the quantity of Goods, the method of shipment or packing or the time, place or manner of delivery. If any such change causes an increase or decrease in the cost or time required for Supplier’s performance of the Order, a proportional and equitable adjustment shall be made in the contract price or delivery schedule, or both, as mutually agreed in writing by the Talbots and Supplier.

4. **SHIPPING:** The “Need By” date specified in the Order is the date by which Goods must be received by the Talbots. The time of delivery and performance is of the essence in this Order. If Goods are not shipped and/or Services are not performed in accordance with the dates specified, Talbots may, without any liability, cancel the Order by a written notice to the Supplier. Deliveries shall be made at the time and in the quantities specified in the Order, and Supplier shall not, without the prior written consent of Talbots, ship Goods in advance of scheduled delivery. If Supplier at any time has reason to believe that a delivery will not be made on schedule, Supplier shall promptly notify Talbots in writing, which writing shall include Supplier’s best estimate of the likely delivery date. If necessary to meet a scheduled delivery or to recover time lost by any delay, Talbots may, without liability, and in addition to Talbots other remedies herein, under the Order or at law or in equity, require expedited routing in place of the scheduled routing, in which event all excess transportation costs shall be paid by Supplier. Installment deliveries are not permitted if only one delivery date is specified on the face of the Order, except with the prior written approval of an authorized representative of Talbots. Transportation costs of goods on back order shall be paid only at the rates that would have been applicable had the complete order been shipped on time; all excess costs shall be borne by Supplier. Talbots reserves the right to charge back all associated losses, costs and damages incurred by Talbots, as well as any penalties that are agreed to by Talbots and Supplier, due to shipments or deliveries made by Supplier in violation of this Section.

5. **INSPECTION AND ACCEPTANCE:** Payment for any Goods or Services under the Order shall not constitute acceptance thereof. Until Talbots has inspected the Goods shipped and the Services performed under the Order and accepted it as being in conformity with all representations made by the Supplier when the Goods or Services were ordered, Supplier’s delivery obligations shall not be deemed complete, nor shall title pass to Talbots. Acceptance of any Goods or Services shall not alter or affect Supplier’s warranties with respect to such Goods or Services whether expressly contained herein or implied by law.

Talbots reserves the right to cancel at its sole and absolute discretion, without Supplier's authorization, at any time, any unshipped portion of any open Talbots Order and to return at any time, for full credit at Supplier's expense (including but not limited to cost of packing and transportation to and from source) and risk, all or any part of Goods shipped hereunder that are defective in material or workmanship or which differ in any way from the terms, specifications and warranties herein contained or implied by law (including, without limitation, Goods shipped in excess of quantities ordered and Goods that deviate from sizes, colors, styles and quality ordered), and Supplier shall have no right thereafter to cure such defects or failure to conform to such specifications or warranties.

Acceptance of all or any part of Goods shall not bind Talbots to accept any future shipments or Services, nor be deemed to be a waiver of Talbots right either to cancel or to return all or any portion of Goods and/or Services already accepted, or to make any claim for damages, including manufacturing costs, damage to materials or articles caused by improper boxing, crating or packing, and loss of profits or other special damages occasioned the Talbots. Such rights shall be in addition to any other remedies provided at law or in equity.

In the event any Goods specified in the Order are in limited supply or otherwise unavailable, Supplier shall have no right to allocate its available supply among any other purchasers, but may offer Talbots in writing equal or better substitute goods. If Talbots elects in writing to receive such substitute goods, such election shall be on the terms and conditions contained herein. If in the sole judgment of Talbots, the substitute goods are determined not to be equal to or better than Goods originally ordered, Talbots may reject and return such substitute goods at Supplier's risk and expense and terminate the original Order.

"Putting in work" or shipping Goods prior to receipt of a valid Order, except as authorized in writing by an authorized representative of Talbots, is entirely at Supplier's risk and Talbots is not liable for any loss resulting therefrom.

6. CANCELLATIONS: Talbots may cancel this Order in whole or in part without Supplier's authorization and at Talbots sole and absolute discretion in the event of any of the following, each of which it is agreed will substantially impair the value of the whole Order to Talbots: (a) there is any breach of Supplier's warranties hereunder, (b) there is any delay in the delivery or performance or departure from packing, delivery or routing instructions, (c) there is any variation from the quantities, quality, specifications, samples, assortment, prices or other terms and conditions specified in this Order, (d) there is any breach of Supplier's obligations hereunder, (e) the Goods become the subject of any Claim (as defined in Section 13 "Indemnification") by any third party, (f) Supplier becomes insolvent or makes an assignment for the benefit of creditors, or a receiver for Supplier's assets or business is appointed or Talbots reasonably believes Supplier may become insolvent or subject to bankruptcy proceedings, or (g) fire, flood, earthquake, tempest, strikes, war, acts of God, civil commotion or other causes beyond Talbots reasonable control. In such event, Supplier shall immediately stop the provision of Goods and/or Services and observe any instruction from Talbots as to Goods in process. Cancellation for any of the foregoing reasons shall constitute "for cause" and shall not subject Talbots to any liability, cost or charge whatsoever. Talbots may also cancel this Order in whole or in part without cause at any time. In the event of such cancellation, Talbots liability to Supplier shall be limited to the contract price of that portion of the Order fully and properly performed prior to such cancellation.

7. TITLE AND RISK OF LOSS: Risk of loss and title to Goods shall pass to Talbots only after Talbots accepts delivery of such Goods at the destination designated in the Order. Supplier irrevocably and unconditionally assumes the risk of loss prior to delivery of the Goods to Talbots or its agent at the "ship to" address, and all risk of loss after delivery of the Goods if said Goods are refused or rejected or if Supplier has otherwise breached any term of the Order.

8. **PACKING:** Supplier shall be fully liable for all damage to Goods caused by improper boxing, crating or packing or otherwise not in conformance with Talbots packing instructions. All items shall be prepared and packed for shipment in a manner that will prevent damage in transit. Regardless of delivery point, Supplier agrees to bear responsibility for all loss, injury or destruction of Goods that occurs prior to delivery to Talbots destination, and any such loss, injury or destruction shall not release Supplier from any obligation to perform under the Order.

9. **IDENTIFICATION:** All invoices, packing lists, packages, shipping notices, instructions manuals and other written documents affecting the Order shall contain the applicable Order number. A packing list shall accompany each and every shipment.

10. **PRICES AND TAXES:** Supplier agrees that all prices set forth on the face of the Order are firm and not subject to increase. Unless otherwise specified in the Order, all prices in the Order shall be inclusive of all charges paid to Supplier by Talbots for inspection, packaging, packing, transportation, and any and all taxes, duties and assessments relating to the Goods. All sales, use, excise or similar taxes to be paid by Talbots must be itemized on Supplier's invoice.

11. **SUPPLIER'S WARRANTIES:** Supplier hereby warrants that: (i) all Goods shall be free from defects in design, workmanship and materials, shall conform to Talbots specifications and shall be of merchantable quality and fit for the purposes for which they were intended; (ii) all Goods and Services shall conform to all representations, affirmations, promises, descriptions, samples and/or models provided by Supplier to Talbots in connection with the Order; and (iii) all Goods shall be free and clear of all liens, claims or encumbrances of any kind, including, without limitation, infringement of any patent, copyright, trademark, trade name, trade secret or other proprietary or protected right in any country. Supplier's warranties shall run to Talbots and its successors, legal representatives, assigns and customers and shall survive acceptance of the Goods and Services and payment therefor by Talbots.

12. **COMPLIANCE WITH LAWS:** Supplier shall (i) comply with all applicable international, national, state, regional, and local laws and regulations (including, without limitation, export and import laws and regulations, anti-bribery and anti-corruption laws, and regulations and the laws of the United States regarding sanctioned countries and sanctioned persons) in performing its duties under this Agreement and (ii) conduct its business in a manner that reflects favorably on the Goods and Services and the good name, goodwill and reputation of Talbots. Supplier warrants that all Goods and Services shall be produced, fabricated, manufactured, assembled, imported, and exported in compliance with all federal, state and local laws, regulations, ordinances or orders of any country, nation, state, city, town, province, or territory presently in force or enacted, promulgated or adopted hereafter relating to the fabrication, manufacture, assembly, import, export, use, or sale of the Goods and, do not and will not violate any such laws, and Supplier agrees to protect, indemnify and save harmless Talbots from any and all claims, suits, liabilities, damages, losses or expenses incurred by Talbots or any customers of Talbots as a result of any alleged violations thereof by Supplier, its employees, directors, officers, agents, subcontractors, or affiliates. Without in any way limiting the foregoing, Supplier also warrants that: (i) all Goods will be produced, fabricated, manufactured, assembled and processed in whole and in part, by Supplier and any of its subcontractors, in compliance with all applicable provisions of: (1) the Fair Labor Standards Act of 1938, as amended, and all regulations and orders of the U.S. Department of Labor related thereto (the "FLSA"), (2) state and local laws pertaining to child labor, minimum wage and overtime compensation and (3) the wage and hour laws of the country of manufacture (if the Goods are manufactured outside of the United States) and without the use of child, prison or slave labor; (ii) Talbots possession or resale of the Goods will not violate the "hot goods" or "hot cargo" provisions of the FLSA and comparable state and local laws; and (iii) Supplier currently has in effect a program of monitoring any subcontractors who perform work for it in connection with the production of merchandise for Talbots for compliance with the FLSA and comparable state and local laws.

13. INDEMNIFICATION: In addition to any other indemnification obligations set forth herein, Sell shall defend, indemnify and hold harmless Talbots, its parents, subsidiaries, affiliates, customers and their respective officers, directors, employees, agents and representatives, from any and all liability including strict liability, any and all allegations, demands, claims, charges, liabilities, damages, causes of actions, suits, proceedings, judgments, awards, orders, decrees, fines, penalties, debts, losses, costs or expenses, including, but not limited to, attorneys' fees, court costs and costs of settlement (collectively, "Claims"), which Talbots may suffer, sustain or become subject to arising out of, or in any manner based upon, Supplier's breach of any representation or warranty herein, the performance or nonperformance of the Services of this Order, or arising or occurring by reason of the Goods or Services, or the use thereof, or any defect therein or condition thereof, including without limitation any Claim or suit for unfair competition, or alleged infringements of patents, copyrights, trade secrets, trademark or other intellectual property right, or on account of Supplier's violation of any of the terms hereof, including but not limited to compliance with all relevant laws and regulations. Supplier acknowledges and agrees that Supplier will promptly respond to Talbots notification of any Claim and shall promptly confirm Supplier's defense and indemnification of Talbots as required herein. In addition to any other rights or remedies set forth herein, in the event Supplier fails to promptly respond to Talbots notification of any Claim and/or fails to promptly confirm its defense and indemnification of Talbots as required herein, Supplier will be responsible to reimburse Talbots any fees it may incur including attorneys fees and costs to pursue Supplier's compliance (or compliance of any of Supplier's subcontractors and suppliers) to the terms conditions, representations and warranties set forth in this Order.

14. SPECIAL FEATURES: The Order may require Supplier to affix Talbots trademarks, trade names, service marks, distinctive words, copyrights, pictures or designs (each a "Special Feature" and, collectively, the "Special Features") to the Goods. In such event, Supplier shall affix the applicable Special Feature(s) only to the Goods and only in complete conformity with the specifications of Talbots. Nothing in the Order shall be deemed to grant any ownership rights to, in or under or to permit the use of, any Special Feature by Supplier or its agents, affiliates, or subcontractors, except on the Goods as expressly required in the Order. All rights in the Special Features shall at all times be and remain the sole property of Talbots and its licensors. All goodwill and other benefits associated with the Special Features shall inure to the exclusive benefit of, and are hereby assigned by Supplier to, Talbots. If Talbots so requests, Supplier shall assist Talbots in the registration and/or protection of the Special Features in the name of Talbots, the renewal and maintenance of such registration and/or in any other recording necessary or desirable to protect Talbots interest in the Special Features. Any reasonable costs incurred by Supplier in performing its obligations under the preceding sentence shall be reimbursed to Supplier by Talbots. In the event any Goods are rejected or returned to Supplier in accordance with these Terms and Conditions of Purchase, and such Goods bear any Special Feature, Supplier shall not under any circumstances sell or otherwise transfer such Goods to any third persons without demonstrating to Talbots satisfaction that all Special Features have been physically removed or completely obliterated from such Goods and all packaging.

15. ASSIGNMENT: Except as to the right to payment arising out of Supplier's due performance of Supplier's entire obligation, Supplier shall not assign the Order or any rights under the Order, delegate any obligations under the Order or subcontract for the manufacture of completed or substantially completed Goods which are the subject of the Order, without Talbots prior written consent. Talbots reserves all of the rights and defenses of an account debtor as set forth in the Uniform Commercial Code. In any case involving a permitted assignment, Supplier shall promptly provide Talbots with such evidence of assignment as Talbots shall request. Talbots may assign the Order or its rights under the Order to any person or entity.

16. WAIVER: Waiver of Supplier's compliance with any provision of the Order may be authorized only in writing by a duly authorized representative of Talbots. Any failure by Talbots to enforce any of the provisions hereof shall not constitute a waiver thereof or of the rights of Talbots to enforce each and every provision hereof and of the Order.

17. **APPLICABLE LAW:** This Agreement, including, without limitation, the Order (and all portions thereof) and the performance of the contract arising therefrom shall be governed by, and construed and enforced in accordance with, the laws (both substantive and procedural) of the Commonwealth of Massachusetts without regard to its conflict of law rules and, unless otherwise required by law, any action or dispute between Supplier and Talbots arising out of an Order shall be exclusively brought in the State or Federal courts located in the Commonwealth of Massachusetts. The applicability of the United Nations Convention for the International Sale of Goods is hereby expressly disclaimed. Both Supplier and Talbots waive their rights to a jury trial of any claim or cause of action based upon or arising out of an Order.

18. **REMEDIES:** All Talbots rights and remedies, whether evidenced hereby or by any other agreement, instrument, or document, shall be cumulative and may be exercised singularly or concurrently. No delay or failure by Talbots to enforce or take advantage of any of the terms of the Order shall constitute a waiver of Talbots right subsequently to enforce that or any other of provision of the Order, and no delay or failure to object to any provision of any Supplier correspondence shall constitute acceptance thereof. The rights and remedies specifically provided for in the Order are in addition to, and not in substitution of, all other rights and remedies given by or implied by law, in equity or otherwise. Notwithstanding anything contained herein, Talbots shall have the right to recover for any nonconformity in any installment or the entire Order, the loss of profit caused by such non-conformity or, at Talbots option, refund of the full purchase price. Additionally, in the event of Supplier's breach of the Order, Supplier shall be responsible for all Talbots incidental and consequential damages, as defined in the Uniform Commercial Code.

19. **ENTIRE AGREEMENT:** The Order, including these Terms and Conditions of Purchase, shall constitute the entire agreement between the parties relating to the purchase and sale of the Goods and shall supersede any prior agreements between the Supplier and Talbots with respect to the subject matter hereof. No addition or modification (including, without limitation, any terms or conditions proposed by Supplier in its acknowledgement of the Order or in any correspondence relating to the Order) shall be binding upon Talbots unless made in writing and signed by an authorized officer of Talbots.

20. **EFFECT OF INVALIDITY:** In the event that any provision contained in the Order or any part thereof shall be for any reason held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such provision shall be deemed null and void and severed herefrom to the extent thereof, and the remainder of the Order shall remain in full force and effect.

21. **NOTICES:** All notices required or permitted hereunder shall be in writing and shall be deemed duly given when: (i) personally delivered; (ii) sent by facsimile with confirmation of receipt; (iii) sent by a recognized commercial courier or express mail service; or (iv) sent by registered mail, return receipt requested, postage prepaid, to Talbots at the address stated on the face of the Order and to Supplier at its principal office, or to such other address as each party may designate from time to time by giving written notice in the manner prescribed herein.