Fabric/Component Supplier Commitment

Fabric/Component Supplier: HUAJIN TEXTILE PRINTING & DYEING CO., LTD

Fabric/Component Supplier Address: 1688 HUAJIN AVENUE, LINYI COUNT
SHANXI PROVINCE, CHINA

Effective Date: 17 JUN 2016

This FABRIC/COMPONENT SUPPLIER COMMITMENT (this “Agreement”) is entered into as of the
Effective Date written above by and between the Fabric/Component Supplier identified above
(“Supplier”) and Kohl’s Department Stores, Inc., a Delaware corporation having its principle place
of business located at N56W17000 Ridgewood Drive, Menomonee Falls, Wisconsin 53051 (“Kohl’s”).

WHEREAS, Kohl’s is engaged in the business of marketing and selling a variety of
merchandise, through a chain of retail stores; and

WHEREAS, Supplier is engaged in the business of manufacturing or sourcing “Components” (as
defined below), which Components are intended or suitable for use in the manufacture of products; and

WHEREAS, Kohl’s desires to secure a reliable supply of consistent quality Components at
favorable costing for use in the manufacture of its private and licensed brand products; and

WHEREAS, Kohl’s desires to use economies of scale to secure favorable Component pricing
that will help keep overall product costs down; and

WHEREAS, Kohl’s and Supplier desire that Supplier may sell and supply (and/or participate in
reverse auctions held by Kohl’s to negotiate for the potential right to sell and supply) Components to
various third parties who manufacture or supply products to Kohl’s (“Vendors”), for the purpose of use of
those Components in the manufacture of the products to be supplied exclusively to Kohl’s, as provided
herein; and

WHEREAS, Supplier understands and agrees that if Supplier elects to participate in reverse
auctions held by Kohl’s and/or to negotiate for the potential right to sell and supply Components to
Kohl’s, the terms and conditions set forth in this Agreement shall govern and control any commitment
that may subsequently be made to Supplier by Kohl’s.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and
agreements contained herein, the parties hereto agree as follows:

1. “Designated Supplier”
   (A) Kohl’s hereby designates Supplier as a “Designated Supplier” to supply specified
Components to Vendors for use in Kohl’s private and licensed brand products. Solely in furtherance of
the purposes of this Agreement, once a firm Purchase Commitment (as defined below) is made to
Supplier, Supplier may identify itself to Vendors as a Kohl’s “Designated Supplier” for the specified Components.

(B) As a Designated Supplier, Supplier agrees to sell and supply Components to Vendors from time to time pursuant to the terms and conditions of this Agreement, including the Specifications and Pricing (as defined below), as well as any additional terms and conditions, provided they do not conflict with this Agreement, negotiated between Supplier and Vendors. Supplier agrees to make quantities of Components available for Vendors to so purchase in at least the amounts of the applicable Purchase Commitment (as defined below).

(C) Upon Kohl’s request, Supplier will provide a written report of all quantities of Components sold pursuant to this Agreement, including the identity of each Vendor purchasing the Components, quantities of Components ordered and delivered to each Vendor, the dates of the orders and deliveries, the location of manufacture, the shipping points and any other additional information reasonably requested by Kohl’s.

(D) The Components for which Supplier is designated by this Agreement as a “Designated Supplier”, and the product specifications therefor (the “Specifications”), are set forth on Exhibit A; provided, however, that any additional product specifications or requirements provided as part of a reverse auction, if any, conducted by Kohl’s shall also apply. In the event of any conflict between the Specifications set forth on Exhibit A and those set forth as part of a reverse auction that may be conducted by Kohl’s, the Specifications set forth as part of any relevant reverse auction conducted by Kohl’s shall control.

(E) Supplier acknowledges that its rights as a Designated Supplier are non-exclusive, and that Kohl’s may designate additional suppliers as “Designated Suppliers” for Components.

2. Purchase Commitment.

(A) Subject to the terms and conditions of this Agreement, and subject to Supplier being selected as part of any relevant reverse auction conducted by Kohl’s, Kohl’s guarantees that its Vendors will, in the aggregate, purchase from Supplier at least the amounts of Components set forth on Exhibit A during the periods specified therein; provided, however, that when a reverse auction is utilized by Kohl’s, any such commitment will be as specified in the materials provided as part of the relevant reverse auction conducted by Kohl’s (the “Purchase Commitment”). Kohl’s may, from time to time at its discretion, prospectively modify the amount of the Purchase Commitment upon at least six (6) months prior written notice to Supplier, provided that Kohl’s may not increase the amount of the Purchase Commitment without Supplier’s consent.

(B) If, for any specified period, Vendors’ aggregate purchases from Supplier are less than the applicable Purchase Commitment, other than by reason of force majeure or Supplier’s failure to comply with this Agreement or supply Components, then Kohl’s shall have the opportunity to try and use any such excess quantities of Components in additional product programs. If Kohl’s cannot use the additional Components, Supplier shall use good faith efforts (for no less than ninety (90) days) to try and sell the excess Components in the open market at the Pricing (as defined below). If none of the above options successfully exhaust the excess Components, then Kohl’s shall purchase from Supplier the amount of Components equal to the shortfall, with any such purchase made at the Pricing (as defined below) and subject to the terms of this Agreement of the dollar value (calculated at the Pricing) of the purchase shortfall. The foregoing are Supplier’s sole and exclusive remedies for any failure to meet the Purchase Commitment.

(C) The Purchase Commitment at any time with respect to any particular Components, is subject to, and conditioned upon, acceptable quality of the Components (including conformance with the applicable Specifications), compliance with all representations and warranties of Supplier under this Agreement or Supplier’s agreements or purchase terms with Vendors, and Supplier’s ability to meet Kohl’s volume requirements up to at least the amount of the applicable Purchase Commitment.

(D) Except with respect to the Purchase Commitment as provided above, Kohl’s does not guarantee any specific volume of Components that may be purchased by the Vendors, and Kohl’s will
have no obligation with respect to any projections, estimates or expectations of business. Any projections
Kohl’s or its Vendors may provide as to anticipated requirements for products, and the related
requirements for Components, are intended for convenience only and are non-binding on Kohl’s.

(E) Except with respect to the Purchase Commitment as provided above, no person has
authority, on Kohl’s behalf, to make any representations or promises to Supplier of any expected or
possible level of business with Supplier by Kohl’s and its Vendors or about Kohl’s or a Vendor’s
intentions or expectations regarding any present or future business with Supplier. Kohl’s shall not have,
and Supplier releases Kohl’s from, any obligation or liability for any Supplier expenditure, investment,
commitment, or action as to personnel, material, supplies, equipment, or otherwise.

(F) Supplier shall invoice each Vendor directly for any Components sold and supplied to
each Vendor as provided for in Supplier’s contract(s) with each Vendor, and the Vendor shall be solely
responsible for all obligations related to its purchases. In no event shall Kohl’s have any obligation to pay
any invoice or other amounts for a purchase of Components by a Vendor, and Supplier’s sole recourse
will be to seek payment from the Vendor.


(A) Supplier shall offer for sale and supply to Vendors Components at the pricing set forth on
Exhibit A (the “Pricing”); provided, however, that when a reverse auction is utilized by Kohl’s, any such
Pricing will be as negotiated as part of the relevant reverse auction conducted by Kohl’s. The Pricing will
apply solely for Components to be used in Kohl’s products. The Pricing reflects specially negotiated
costs based upon Kohl’s purchase volumes and related production efficiencies. Kohl’s may from time to
time provide Supplier a list of Vendors eligible to purchase Components pursuant to the pricing under this
Agreement, and Kohl’s may update that list at any time at Kohl’s discretion. Supplier will sell
Components under this Agreement and offer the Pricing only to listed Vendors identified by Kohl’s, and
in each case subject to the condition that the Vendor certifies for each order that it is purchasing the
Components solely for use in products to be sold to Kohl’s. Upon Kohl’s request, Supplier will confirm
with Kohl’s in advance that all Component orders from Vendors are related to manufacture of Kohl’s
products and eligible for purchase under this Agreement. However, the foregoing is not intended to
preclude Supplier from negotiating pricing with other customers that reflects cost efficiencies earned by
such customer’s business independent of Kohl’s volume and business.

(B) Notwithstanding Section 3(A) above, except as prohibited by law, Supplier’s prices to
Vendors for Components shall at all times be no less favorable than the most favorable prices (which, for
purposes of this section, include the net effect of all rebates, discounts, and allowances) that Supplier
offers to any third party for the same or substantially similar Components. Accordingly, if, at a
reasonably close point in time, Supplier sells or offers to sell to a third party the same or substantially
similar Components at prices more favorable than those that Supplier offers or charges to a Vendor,
Suppliers shall reduce the prices to the Vendor to be no higher than those more favorable prices.

4 Component Inspections and Testing; Audit. Supplier shall perform all necessary inspections and
testing on Components to confirm and demonstrate that Components conform to all requirements,
Supplier’s representations, covenants, and warranties, accepted industry and legal standards, and
Applicable Laws (as defined below). Without notice and at Supplier’s sole cost and expense, Kohl’s may
inspect and test, or designate a third party to inspect and test, Components, and may inspect and audit any
facility or other source, from or in which Components, or its parts, ingredients, and contents, originate,
are produced, manufactured, stored, or distributed. Such inspections and audits may be for purposes,
without limitation, of quality, safety, and compliance with Kohl’s standards and requirements for business
partners. Supplier authorizes the third party to discuss with, and provide to, Kohl’s test, inspection, or
auditing procedures, processes, results, records, or reports. Supplier directs the third party to provide
notice immediately to Kohl’s of any potentially harmful, unlawful, or hazardous circumstance or
condition that the third party discovers in the inspection, test, or audit.
5. Recalls. Without limiting the indemnification obligations set forth below, Supplier shall bear, and reimburse or indemnify Kohl's for, all damages, liabilities, expenses, and costs relating to any removal, recall, or withdrawal of merchandise to the extent caused by the Components, regardless of whether the removal, recall or withdrawal is initiated by Kohl’s, Supplier, Vendor or a governmental or regulatory authority. Supplier shall notify Kohl’s and each Vendor of a Supplier or government-initiated recall or of any government investigation relating to Components.

6. Representations, Warranties & Covenants. Supplier represents, warrants, and covenants that:

(A) Supplier is in compliance with, and will at all times continue to comply with, Kohl’s Terms of Engagement for Business Partners available under the “New Vendors” tab on https://www.connection.kohls.com;

(B) All Components supplied by Supplier to any Vendor:
   (i) are new, genuine, first quality, not counterfeit, unadulterated, and not misbranded;
   (ii) are of good and merchantable condition and quality, and fit and safe for the ordinary purposes for which it is used, including in the manufacture of products, under the stricter of any applicable accepted industry or legal standard;
   (iii) are free of defects and do not violate any safety standard, create any potential hazard or harm, or result in an unreasonable risk of harm or injury;
   (iv) conform in all respects to, and comply with, descriptions, characteristics, and specifications in the Specifications, and any representative sample that Supplier provides to Kohl’s or a Vendor, including quality, design, safety requirements, construction, materials, size, components, parts, contents, assembly, manufacturing, labeling, warnings, packaging, instructions for use, and weight; and
   (v) conform in all respects to, and comply with, all Applicable Laws, which shall be defined to include, but not be limited to: (a) all existing laws, regulations, standards, orders and rulings, as amended, together in all standards, rules and guides of all United States federal, state and local governments (and all departments, boards, bureaus and commissions thereof), including, but not limited to the Federal Trade Commission Act, Fair Labor Standards Act, the Tariff Act of 1930, the Consumer Product Safety Act, the Consumer Product Safety Improvement Act of 2008, the Flammable Fabrics Act, the Textile Fiber Products Identification Act and regulations relating to statement of fiber content of rayons, wool, linens, and other textiles, the Wool Products Labeling Act, the Care Labeling Rule, the Fair Packaging and Labeling Act, the Magnuson-Moss Warranty Act, the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, the Radiation Control for Health and Safety Act, the Food, Drug and Cosmetics Act, the Federal Child Labor Act, the Occupational Safety and Health Act, the Fur Products Labeling Act, California’s Proposition 65, the California Air Resource Board Composite Wood Regulations, the Clean Diamonds Trade Act, the Kimberly Process Certification, the Foreign Corrupt Practices Act and all United Nations’ resolutions; and (b) the laws, regulations and rules of all countries in which Components are produced or delivered;
   (vi) do not infringe upon or misappropriate any intellectual property rights (including, but not limited to, patents, copyrights, trademarks, tradenames, tradenames, dress, trade secrets or any other proprietary/intellectual property rights);

(C) The marketing, distribution, or sale of a Component, alone or as part of any product, will not infringe upon or misappropriate any intellectual property rights of a third party;

(D) Supplier will notify Kohl’s and each Vendor of the measured content of any Components consisting of hazardous materials, chemicals and other substances of which distribution (including transportation and warehousing), sale or disposal is regulated by Applicable Law; and

(E) There is no impediment, Applicable Law, or other restriction that limits, prohibits, or prevents Supplier’s sale or delivery of Components to Vendor or Kohl’s marketing, distribution, or sale of products made with the Components in any locality.
7. Indemnification; Defense Costs. Supplier shall protect, defend, indemnify, and hold Kohl's and its affiliates and their respective officers, directors, employees, representatives, and agents (individually and collectively, the "Indemnitees") harmless from and against 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") that, in whole or in part, arises out of Supplier's obligations, acts, omissions, or breach of this Agreement, or that relates to the distribution, sale, or use of Components, including but not limited to misappropriation or infringement of any patent, trademark, trade dress, trade secret, copyright or other right relating to any Component when incorporated into Kohl's merchandise. Supplier shall defend, at its sole cost and expense, Indemnitees and pay all attorneys' fees, court costs, and expenses, including expert witness fees and bond premiums, to defend, or to enforce or protect Indemnitees' rights under this Agreement as to any Claim. Each of Indemnitees not a party to this Agreement shall be a third party beneficiary to this Section 7.

8. Insurance. Vendor will procure and at all times maintain, at its expense, general liability and product liability insurance providing broad form coverage in each case to afford protection to the limits of not less than that customarily maintained by comparable vendors and suppliers, but in any event not less than U.S. $2,000,000 for combined single limit for personal injury and property damage to any one person and naming Kohl's as an additional insured to cover Supplier's indemnification obligations described herein. At Kohl's request, Supplier will provide Kohl's with a certificate of insurance evidencing such coverage.

9. Term; Termination. This Agreement shall commence on the Effective Date and continue in effect until terminated. Kohl's may terminate this Agreement for any reason or no reason and without penalty upon at least 30 days prior written notice. This Agreement shall apply to any Component sold by Supplier to a Vendor before the termination of this Agreement, even if Kohl's accepts delivery of merchandise with Components after termination of this Agreement. Termination of this Agreement shall not affect Kohl's right to pursue any remedy available to Kohl's at law or in equity.

10. Remedies.
(A) Upon Supplier's material breach of this Agreement, Kohl's, in its sole discretion and in addition to or in lieu of any other remedies available to Kohl's at law or in equity, may do any of the following, separately or jointly:
(i) terminate this Agreement immediately upon notice to Supplier;
(ii) upon termination by Kohl's, any Vendor shall have the right to cancel or reject all or any part of any undelivered Components ordered by a Vendor;
(iii) upon termination by Kohl's, a Vendor shall have the right to return, at Supplier's risk and expense (including storage and handling charges), to Supplier all or part of Components in the Vendors' inventory and, within 30 days after return of Components to Supplier, Supplier shall refund to the Vendor the price that the Vendor paid to Supplier for the Components;
(B) If Kohl's determines, at its sole discretion, that Supplier's performance under this Agreement is likely to be impaired or may create a liability, Kohl's may establish a reserve on Vendors' accounts that purchases Components from Supplier to satisfy any actual or anticipated obligations to Kohl's arising from merchandise containing Supplier's Components, and may request that Vendors establish a reserve on Supplier's account to satisfy any actual or anticipated obligations.

(A) Independent Relationship. Supplier's employees or agents are not Kohl's employees for any purpose and have no authority to act or purport to act on Kohl's behalf. Supplier and Kohl's do not intend by this Agreement to create a partnership, joint venture, or other similar relationship.
(B) Use and Protection of Intellectual Property. Supplier grants to Kohl's a royalty free and worldwide perpetual license in Supplier's intellectual property ancillary to Components for use in any manner as Kohl's deems appropriate in its internal operations and marketing. Supplier shall not use Kohl's intellectual property in any manner and shall not refer to Kohl's in any Supplier advertising, promotion or communication with third parties without Kohl's prior written consent. Supplier shall at all times protect Kohl's intellectual property and shall use its best efforts to cause Third Parties to comply with, respect, and protect Kohl's intellectual property. Supplier shall notify Kohl's immediately of any infringement of Kohl's intellectual property.

(C) Confidentiality. Supplier shall keep confidential and not disclose this Agreement and its terms and conditions, or any information exchanged in the course of the relationship contemplated under this Agreement that is identified as "confidential" or would reasonably be understood to be confidential or a trade secret, to any third party without Kohl's written approval. Further, Supplier shall not use Kohl's confidential information other than for the purposes contemplated under this Agreement. Without limiting the foregoing, Supplier shall treat as Kohl's confidential information the identity of the Vendors, Kohl's pricing and sales information, the nature or results of any testing, inspection, or audit, and any individual, aggregated, or statistical information related to Kohl's vendors, suppliers, customers or Products.

(D) Limitations of Liability. Kohl's shall not be liable to Supplier for indirect, punitive, exemplary, incidental, consequential, or special damages, including lost profits, lost income, lost revenues, business interruption, or lost business arising out of this Agreement or the transactions or relationship between the parties contemplated under this Agreement, even if Kohl's has been advised of the possibility of the damages and regardless of any prior course of dealing between the parties.

(E) Assignment and Rights of Enforcement. Supplier shall not assign, delegate, or otherwise transfer to any person any rights or obligations under this Agreement without Kohl's prior written consent.

(F) Amendments. No amendment, approval, waiver, consent, or notice under this Agreement shall be effective or binding on Kohl's unless Kohl's executes and delivers a writing expressly calling out the amendment.

(G) Severability; Waiver. If any term of this Agreement is held invalid, void, or unenforceable to any extent, such term will be deemed modified to the minimum extent necessary to render such term valid or enforceable and as nearly as possible effect the intent of the parties (if possible), and the remaining terms shall remain in full force and effect. The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

(H) Choice of Law; Jurisdiction; Venue. This Agreement and any Claim arising out of or relating to this Agreement or the business relationship of the parties contemplated hereunder shall be governed, enforced, and construed under the laws of Wisconsin without regard to conflicts of laws principles that would require the application of any other laws or presumption or rule of law requiring its construction against the party drafting any part of this Agreement. Kohl's and Supplier shall bring any action or suit concerning or arising out of this Agreement or their business relationship in federal or state court in Waukesha County, Wisconsin. Kohl's and Supplier consent to jurisdiction in federal or state court in Waukesha County, Wisconsin and will not raise, and waive, any defenses based on venue, inconvenience of forum, or lack of personal jurisdiction in Waukesha County, Wisconsin.

(I) Third Party Beneficiaries. The Vendors are intended as third party beneficiaries of this Agreement with respect to the provisions related to the Components and the purchase thereof (including the Pricing) from Supplier, and the Vendors may directly enforce the rights under such provisions directly with Supplier. Except as expressly provided herein, Kohl's and Supplier intend the terms and provisions of this Agreement solely to benefit Kohl's and Supplier and their respective successors and assigns. Kohl's and Supplier do not otherwise intend to, and do not, confer third-party beneficiary rights on any third party.
(J) Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, written or oral, between Kohl’s and Supplier, concerning its subject matter.

(K) Counterparts; Facsimile and PDF Signatures. This Agreement may be signed in two or more counterparts, each of which shall be an original but all of which taken together shall constitute and be deemed to be one and the same instrument and each of which shall be considered and deemed an original for all purposes. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or e-mail shall be deemed an original and effective as delivery of a manually executed counterpart of this Agreement for all purposes.

(L) Construction. The terms “include,” “including,” and similar terms shall be construed as if followed by the phrase “without being limited to.” The term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” The term “party” means either Kohl’s or Supplier and the term “parties” means Kohl’s and Supplier. All references to sections and Schedules shall be construed to refer to sections of, and Schedules to, this Agreement. The headings in this Agreement shall not limit or otherwise affect the meaning of any part of this Agreement. The definition of the singular also shall define the plural of a defined term. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against any party under any rule of construction or otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first set forth above.

KOHLS DEPARTMENT STORES, INC.

By: 
Name: 
Title: 
Date:

HUAJIN TEXTILE PRINTING & DYEING CO., LTD

Fabric/Component Information

By: 
Name: ALEX ZHANG
Title: SALES GENERAL MANAGER
Date: 17 JUN 2016