

THE BON-TON DEPARTMENT STORES, INC.  
PURCHASE ORDER TERMS & CONDITIONS

These Terms and Conditions apply to all Purchase Orders ("PO(s)") issued by The Bon-Ton Department Stores, Inc. or its subsidiaries (hereinafter "Bon-Ton") and are binding with respect to all business conducted between Bon-Ton and vendors, including drop-ship vendors ("Vendor(s)"), and apply to and control all agreements related to the purchase of merchandise by Bon-Ton from Vendor and, to the extent applicable supplies, equipment and fixtures (collectively, "Merchandise"), whether such purchase is made directly by Bon-Ton from Vendor or through a third-party distributor or wholesaler. POs are issued either by electronic transmissions ("EDI") or as written purchase order contracts. Vendor must have a valid PO prior to shipping Merchandise. Verbal orders are not valid unless confirmed with a written or electronic PO.

POs expressly limit acceptance thereof to these Terms and Conditions and are expressly conditional on Vendor's assent to them. Any terms and conditions in any invoice, packing or shipping document or otherwise stated by Vendor that are different from, conflict with or add to these Terms and Conditions shall be null and void unless expressly agreed to by Bon-Ton. All POs expressly incorporate all warranties under the Uniform Commercial Code including, without limitation, the implied warranties of merchantability, fitness for a particular purpose, and title and against infringement and incorporate all Bon-Ton's remedies under the Uniform Commercial Code including, without limitation, incidental and consequential damages.

**1. Vendor Responsibilities.** If Vendor is an international vendor, it must comply with these Terms and Conditions and with Bon-Ton's International Vendor Compliance Guide, International Social Compliance Guide, Quality Inspections Requirements & Procedures, Hardlines Quality Assurance Testing Requirements and Procedures and Softlines Quality Assurance Testing Requirements and Procedures, each of which can be accessed via Bon-Ton's Website and each of which is incorporated herein as an integral part of these Terms and Conditions. If Vendor is a domestic vendor, it must comply with these Terms and Conditions as well as Bon-Ton's Transportation and Merchandise Logistics Standards, Ticketing Format Guide, and EDI Bar Coding and Electronic Commerce Instructions, each of which can be accessed via Bon-Ton's Website and each of which is incorporated herein as an integral part of these Terms and Conditions. Each of the referenced documents may be amended by Bon-Ton from time to time. Vendor is responsible for checking Bon-Ton's website to determine whether any revisions have been made to the documents listed above.

Neither Vendor, its employees or agents shall offer or give any benefit, directly or indirectly, to any employee or agent of Bon-Ton or to any of Vendor's agents or their employees. The term "benefit" means the transfer, without equivalent consideration, of money, any type of gift, gratuity, favor, entertainment, compensation or anything of monetary value, provided however, Vendor may, if there is no likelihood of improper influence in the performance of the employee's or agent's duties, provide (i) normal business courtesies, such as a meal involving no more than ordinary amenities and (ii) paid trips or guest accommodations in connection with legitimate and proper Bon-Ton business.

If the Merchandise is the subject of an intellectual property license between Bon-Ton and a licensor, Vendor shall comply with the licensor's code of conduct. Vendor shall be responsible for obtaining the code of conduct from Bon-Ton.

Vendor shall cooperate with Bon-Ton in complying with The Conflict Mineral Provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, (the "Act"). Vendor shall use its best efforts to determine the country of origin of any conflict minerals (tungsten, tin, tantalum and gold) used in the manufacture of the Merchandise. Vendor shall provide Bon-Ton or its agents with reliable information documenting Vendor's determination of whether the conflict minerals were processed in a Covered Country, as that term is defined in the Securities and Exchange Commission's Final Rule relating to Section 1502 of the Act.

If Vendor is an international vendor, it shall specify Bon-Ton in the United States as the ultimate destination of the Merchandise and it shall deliver the Merchandise or make it available to Bon-Ton's designated freight forwarder at a location specified by Bon-Ton in strict accordance with the scheduled delivery window and in the exact quantities set forth in the PO. Unless otherwise specified in the PO, delivery of Merchandise is to be F.O.B. vessel at a port specified by Bon-Ton. If Vendor is an international vendor, it shall submit to Bon-Ton on or before the issuance of an invoice, documentation and certification(s) relating to the Merchandise, its country of origin and manufacture as required by the International Vendor Compliance Guide and as may be necessary or reasonably appropriate to establish the qualification of the Merchandise for lawful import, sale and/or resale under United States law and the laws of the nation, state and locality of shipment and provide all documentation needed to comply with United States shipping and import requirements. If there is a delay in the fulfillment of a PO, Bon-Ton, in addition to any other rights or remedies it might have, may at its option, (i) extend the time of Vendor's performance, in such event Bon-Ton may elect to have the Merchandise shipped via expedited routing at Vendor's expense; or (ii) terminate the PO with respect to the undelivered portion of the Merchandise.

The acceptance of any Merchandise delivered before the specified delivery window shall be at Bon-Ton's option. Merchandise returned to Vendor because of Vendor's failure to deliver the Merchandise on time or because of the failure of the Merchandise to conform to the specifications of a PO may be returned to Vendor at its expense without prior notification. To ensure safe delivery of the Merchandise to the designated destination, Merchandise shall be prepared for shipment by Vendor in accordance with Bon-Ton's Furniture Logistical Standards and Web Portal Instructions, International Vendor Compliance Guide, VICS Color to Size Cross-Reference Table, and Merchandise Logistical Standards, as applicable.

**2. Acceptance.** Shipment of any part of the Merchandise by Vendor shall be deemed Vendor's acceptance of all terms and conditions of a PO, provided, however, Vendor shall be in breach of a PO if it ships Merchandise to Bon-Ton that is defective in whole or in part, is not of merchantable quality or otherwise not fit for its intended purpose. Prior to shipment of the Merchandise, Bon-Ton shall have the right to make changes to (i) the method of shipment or packing and (ii) the time and/or place of delivery (collectively, "Change(s).") If Bon-Ton makes any Changes, it shall transmit a revised PO to Vendor and Vendor shall immediately implement the Changes. Any claims by Vendor resulting from such Changes must be asserted in writing to Bon-Ton not more than twenty (20) days after Vendor's receipt of notice of the Change or such claim shall be null and void. Resale, repackaging, repacking or cutting up for purposes of resale shall not be considered acceptance of the Merchandise by Bon-Ton. Bon-Ton reserves the right to refuse or return any Merchandise and to cancel all or any part of a PO if the Merchandise does not conform to Vendor's obligations and warranties set forth herein or that does not otherwise comply with the terms of a PO, including, but not limited to, terms related to the shipment of Merchandise. Vendor shall be responsible for the cost of having Merchandise returned to Vendor. Bon-Ton may use a

carrier of its choice when returning Merchandise choice. Bon-Ton will pay only for Merchandise that is timely received at the destination designated by Bon-Ton.

**3. Testing / Inspection.** Bon-Ton may rely on inspections conducted and representations made by Vendor regarding the Merchandise. Bon-Ton shall be under no duty to inspect the Merchandise before resale. Vendor's records relating to the testing, product design, and inspection of the Merchandise shall be made available at no charge to Bon-Ton at any time upon its request. Each shipment of Merchandise that is subject to any U.S. product-related statutes (e.g., Federal Flammability Act, Consumer Product Safety Improvement Act, Child Safety Protection Act), U.S. Customs laws, CPSC regulations, mandatory standards, and/or voluntary standards, must be accompanied by a certificate stating that the Merchandise is in full compliance with such statute, rule, ban, standard or regulation.

**4. Time of Delivery.** Time of delivery is of the essence. Bon-Ton reserves the right to cancel all or any part of a PO if the Merchandise is not shipped when specified. Merchandise that is not timely shipped will be held subject to Bon-Ton's right to reject all or any part of the shipment. At Bon-Ton's option, a PO can be canceled if the Merchandise is not completely shipped prior to the cancel date noted in the PO. Merchandise received by Bon-Ton after the cancel date is subject to return to Vendor at Vendor's expense and, if accepted by Bon-Ton, will be subject to an additional handling fee. Shipments made by Vendor without regard to Bon-Ton's delivery window may act to cancel a PO automatically unless the delivery dates are extended by Bon-Ton.

**5. Invoice.** Vendor shall comply with Bon-Ton's Invoicing Instructions and Terms, which are accessible at Bon-Ton's Website.

**6. Payments/Chargebacks.** If Vendor is a domestic vendor, payment terms are not to be less than 30 days, unless an exception has been granted, (refer to Invoicing Instructions and Terms). Claims for money due shall be subject to deduction by Bon-Ton for any setoff, chargeback or counterclaim arising out of a PO or any other Bon-Ton purchase order or agreement with Vendor. Vendor's failure to comply with the terms of a PO will result in the offset of charges as provided in Bon-Ton's Non-Compliance Expense Offset Schedule, which is accessible through Bon-Ton's Website. For domestic merchandise paid by check, payment terms are computed from the date of receipt of the shipment of Merchandise or receipt of invoice, whichever is later. Payment shall be deemed made on the date the check payment is mailed or otherwise submitted. If Vendor is an international vendor, a separate invoice shall be issued for each delivery of Merchandise after it has been delivered to Bon-Ton or its designated freight handler. Bon-Ton shall make no payment until the Merchandise is delivered and Bon-Ton receives an invoice. Payment terms are set forth in the Purchase Order. For international vendors paid by wire transfer, payment terms are computed from the date of submission of a valid wire transfer payment request if later than delivery of the invoice. Payment shall be deemed made on the date the wire transfer or ACH is transmitted

**7. Warranty.** Vendor represents and warrants that the Merchandise and any packaging: (a) is and will be merchantable, safe and fit for the use intended by the consumers who purchase it and the end users; (b) will conform in all respects to the specifications as stated in a PO or as otherwise provided by Bon-Ton; (c) will be of good material and workmanship and free of defects; (d) will be delivered in the quantities specified; (e) does not and will not infringe on any patent, trademark, trade name, copyright or other intellectual property right; and (f) will not contain any harmful or toxic substances. Vendor further warrants that the Merchandise and any advertising or promotional materials furnished by Vendor will comply with and conform to applicable federal and

state laws, regulations, rules and standards promulgated thereunder, including but not limited to: (i) The Consumer Product Safety Act, including, but not limited to laws, guidelines and regulations relating to the use of drawstrings in children's clothing; (ii) The Consumer Product Safety Improvement Act; (iii) The Flammable Fabrics Act; (iv) The Food, Drug and Cosmetics Act; (v) The Hazardous Substances Labeling Act; (vi) The Fur Products Labeling Act; (vii) The Occupational Safety and Health Act; (viii) The Fair Labor Standards Act; (ix) Textile Fiber Products Identification Act; (x) The Wool Products Labeling Act; (xi) Federal Hazardous Substances Act; (xii) The Child Safety Protection Act; (xiii) Labeling of Hazardous Art Materials Act; (xiv) Poison Prevention Packaging Act; (xv) California Safe Drinking Water and Toxic Enforcement Act (Proposition 65); (xvi) California Transparency In Supply Chains Act of 2010; (xvii) Toxic Substances Control Act; (xviii) U.S. Leachable Lead and Cadmium Standards; (xix) all applicable U.S. Food and Drug Administration Standards; (xx) the Internal Revenue Code; (xxii) the Lacey Act; (xxiii) The U.S. Conflict Minerals Provision (§1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act; (xxiv) all applicable, then-current ISO standards relating to consumer product safety consumer product recall and corrective actions, including ISO 10377 and 10393; (xxv) the Vermont Lead in Consumer Products Law and (xxvi) laws relating to environmental and transportation matters or those requiring any form of notice or warning in connection with the sale, shipment, storage or marketing of Merchandise. Vendor further represents and warrants that (a) it is the sole owner of the Merchandise and (b) all weights, measures, sizes and particulars stamped on the Merchandise and on its containers will be accurate and comply with applicable federal, state and local laws and regulations. All warranties shall be enforceable by Bon-Ton, its customers and the users of the Merchandise. At Bon-Ton's request, Vendor shall provide Bon-Ton with a letter certifying that the Merchandise complies with applicable laws, regulations, rules and standards. Vendor shall promptly inform Bon-Ton of any incident or occurrence that may have the potential of affecting the quality of the Merchandise. All warranties shall survive the termination or cancellation of a PO and shall survive inspection, acceptance and payment by Bon-Ton or its customers. Vendor shall maintain all records necessary to demonstrate compliance with applicable laws.

**8. Right to Cancel.** Bon-Ton may terminate a PO for convenience, in whole or part, at any time prior to the delivery of the Merchandise to the destination designated by Bon-Ton. Bon-Ton reserves the right to cancel a PO and to return, at Vendor's expense, all or any part of the Merchandise if it is defective, does not meet Bon-Ton's specifications, is not in the quantity ordered or if Vendor fails to comply with Bon-Ton's shipping, packing or invoicing instructions. Bon-Ton may retain such of the Merchandise as it determines, paying for it the price set forth in a PO. Bon-Ton may cancel a PO if voluntary or involuntary proceedings are filed by or against Vendor pursuant to any bankruptcy or insolvency law or, in the event of the appointment of a receiver for Vendor, with or without Vendor's consent, or Vendor makes an assignment for the benefit of creditors or of a receiver.

**9. Price.** If prior to delivery of the Merchandise, there is any reduction in Vendor's regular selling price for merchandise similar to the Merchandise, the price specified a PO will be reduced to Vendor's regular selling price prevailing at the time of delivery; provided, however, that nothing herein shall permit an increase in the price specified in a PO unless approved in writing and signed by Bon-Ton. Vendor agrees to either meet the lowest prices offered by Vendor to Bon-Ton's legitimate competition. The prices for Merchandise shall include all federal, state and local

taxes and fees imposed upon or on account of sale to Bon-Ton. Vendor shall be responsible for remitting all such taxes and fees.

**10. Recall of Merchandise.** If Bon-Ton has reasonable cause at any time to believe that any Merchandise contains defects or hazards that would create a substantial risk of injury to any person or property or that the purchase, display or sale of Merchandise by Bon-Ton violates or will violate any legal requirement relating to the manufacture, sale, labeling, safety or transportation or Merchandise, or the Merchandise is recalled from the stream of commerce (a "Recall"), without limiting any of Bon-Ton's other remedies, Vendor shall be responsible for paying all expenses involved in the Recall, including reimbursing Bon-Ton for expenses it may incur in undertaking the Recall and shall be liable to Bon-Ton for any lost profits and other consequential damages arising from the Recall. Vendor shall accept return of all Bon-Ton's inventory of Merchandise involved in a Recall and Vendor shall refund to Bon-Ton all monies paid for said inventory. If Vendor becomes aware that Merchandise is or may become harmful to persons or property, or that the design or construction of Merchandise is defective in any manner or if Vendor breaches any of its warranties with respect to the safety or quality of the Merchandise, Vendor shall immediately give notice thereof to Bon-Ton and provide to it all relevant information relating to the defect.

**11. Indemnification/Damages.** In the event of a breach of the PO by Vendor, or in the event of voluntary or involuntary recall of the Merchandise, Vendor shall be liable to Bon-Ton for (a) all direct and indirect damages, costs and expenses incurred or sustained by Bon-Ton in connection with such breach or recall, including lost profits, attorneys' fees and costs incurred by Bon-Ton in obtaining substitute Merchandise elsewhere, (b) any penalties, non-compliance fees, handling charges and other amounts as set forth in the PO, and (c) the amount of any penalties or fines assessed against or incurred by Bon-Ton in connection with the breach, as well as attorneys' fees incurred by Bon-Ton in defending against or responding to such breach. Vendor shall defend, indemnify and hold Bon-Ton, its parent, affiliated entities, successors, and assigns and each of their officers, directors and employees (collectively, "Indemnitees") harmless against any liability, loss, damage, demand, judgment or expense, including attorneys' fees (both in-house and outside counsel) with respect to all matters arising from (i) claims that the Merchandise is defective or dangerous, regardless of the negligence or alleged negligence of any Indemnitee (ii) any misrepresentation or breach of any warranty, expressed or implied, made by Vendor or made by Bon-Ton in reliance on representations or warranties made by Vendor; (iii) Vendor's breach of any provision hereof; or (iv) the negligent or wrongful act or omission of Vendor, its employees or subcontractors. (Individually, items (i), (ii), (iii) and (iv) are referred to as a "Claim" and collectively as "Claims"). Bon-Ton shall make reasonable efforts to notify Vendor of any Claim in a timely manner. Vendor acknowledges that it will not be prejudiced if Bon-Ton settles a Claim under circumstances that are beneficial to Bon-Ton without being materially prejudicial to Vendor. This Section 11 shall not be construed to limit or exclude any other claims or remedies that Bon-Ton or any Indemnitee may assert against Vendor. This Section 11 shall survive the termination or cancellation of a PO. In addition to direct damages, Bon-Ton shall be entitled to receive from Vendor incidental and consequential damages caused because of the failure of Vendor to comply with the delivery date or delivery schedule, time being of the essence. If Vendor fails to comply with Bon-Ton's product, documentation or packaging specifications, Bon-Ton shall be entitled to a chargeback fee in the amount set forth in the International Vendor Compliance Guide, the Transportation and Merchandise Logistical Standards, the Non-Compliance Expense Offset

Schedule and the Domestic Vendor Start-Up Guide for International Shipments, whichever is applicable.

**12. Insurance.** Vendor shall maintain Comprehensive General Coverage (“CGL”) with limits of liability as provided in the following schedule:

Category I – Comprehensive General Liability Coverage (“CGL”) \$2 million / \$2 million

- Adult clothing
- Jewelry and watches
- Handbags and accessories
- Shoes
- All other items not specified in Categories II and III

Category II - CGL \$5 million / \$10 million

- Home products (except those that produce flame, heat or smoke)
- Outdoor and sports
- Kitchen appliances
- Art and school supplies

Category III - CGL \$10 million / \$20 million

- Products that produce heat, flame or smoke
- Children’s products and clothing

Prior to the delivery of Merchandise, Vendor shall furnish Bon-Ton with a certificate evidencing such insurance. Insurance must be maintained with companies with an AM Best rating of A-VII or better. The certificate of insurance must (i) list the Indemnitees as additional insureds, (ii) contain a provision that any misrepresentation or breach of policy conditions by Vendor shall not invalidate coverage for the Indemnitees; (iii) contain a provision that the insurer will give Bon-Ton at least thirty (30) days' written notice of the suspension, cancellation or non-renewal of the insurance coverage, a reduction of policy limits, an increase of any policy deductible and/or the alteration if any terms or conditions of the policy. The policy must be written as a primary policy that does not contribute to and is not in excess of coverage that Bon-Ton may carry, notwithstanding the requirement that Bon-Ton be named as an additional insured and regardless of any other insurance that Bon-Ton may elect to obtain. Bon-Ton shall not be liable for the payment of any premiums, deductibles, claims, co-insurance, retentions or any other costs or expenses under the aforementioned insurance policies. Bon-Ton shall have the right to require Vendor to maintain insurance at limits greater than those listed in the Schedule set forth above in this Section 12. Vendor and its insurance carrier(s) hereby waive all rights of subrogation against Bon-Ton for loss or damage covered by any of the insurance maintained by Vendor. Vendor’s failure to maintain the insurance coverage required in this Section 12 shall not absolve Vendor of the responsibility to indemnify the Indemnitees as provided herein.

**13. Intellectual Property.** Vendor shall not sell to any person or entity other than Bon-Ton Merchandise bearing or labeled with any trade name, trademark, logo, private label brand or design that is proprietary to Bon-Ton or any of its licensors without the express written consent of Bon-Ton, even if such Merchandise is rejected, cancelled, refused or returned to Vendor by Bon-Ton.

**14. Patent, Copyright, Trademark Infringement, Trade Secret Misappropriation.** (a) Bon-Ton may return any or all of the Merchandise and cancel a PO if a third person or entity claims that such Merchandise infringes any design right, patent, copyright, trademark or similar right or, if in Bon-Ton's reasonable determination, the sale of the Merchandise could result in such a claim. If Bon-Ton returns such Merchandise, Vendor shall immediately refund the full amount of all payments made by Bon-Ton for the returned Merchandise. Vendor shall bear the cost of returning such Merchandise. Vendor shall indemnify, defend, and hold harmless the Indemnitees against all losses, damages, liabilities, costs, and expenses (including but not limited to reasonable attorneys' fees of outside counsel and Bon-Ton's in-house counsel) resulting from any alleged claim, judgment, proceeding or any settlement agreement arising out of an allegation, that (i) Vendor's furnishing or supplying Bon-Ton with parts, goods, components, programs, practices, or methods under a PO constitutes or contributes to trade secret misappropriation, infringement of any patent, copyright, trademark, trade name, trade dress, or other proprietary or contractual right of any third party, or (ii) Bon-Ton's use of such parts, goods, components, programs, practices, or methods supplied by Vendor under a PO constitutes or contributes to trade secret misappropriation, infringement of any patent, copyright, trademark, trade name, trade dress, or other proprietary or contractual right of any third party. Vendor shall not settle such suit or action without the consent of Bon-Ton unless such settlement does not require any payment of money or other consideration by Bon-Ton. Bon-Ton shall not settle such suit or action without the consent of Vendor unless Vendor has declined to defend Bon-Ton in such suit or action. In any suit or action for which Vendor has accepted the defense of Bon-Ton, Bon-Ton retains the right to participate in the defense at its own expense, but shall permit Vendor to control the defense (subject to good-faith consultations with Bon-Ton) and shall not confess judgment, admit liability, or take any other actions prejudicial to the defense of such suit or action. This Section 14 will not be construed to limit or exclude any other claims or remedies that Bon-Ton may assert. This Section shall survive the termination or cancellation of a PO.

**15. Events Beyond Bon-Ton's Control.** Bon-Ton reserves the right to cancel all or any part of a PO that has not been shipped by Vendor if Bon-Ton's business is discontinued or interrupted or if the value of the Merchandise to Bon-Ton would be materially diminished due to strikes, labor disturbances, blackout, riot, fire, embargo, government regulation, act of God or any other cause if such cause is beyond the reasonable efforts of Bon-Ton to control. In the event of such cancellation, Bon-Ton shall have no liability to Vendor.

**16. Confidentiality.** Except as required by law, Vendor shall not disclose to any third party information relating to Bon-Ton's purchasing practices, descriptions, prices or quantities of Merchandise, any proprietary or confidential data, designs or other information supplied by or on behalf of Bon-Ton. At Bon-Ton's request any data, designs or other information furnished to Vendor (and copies thereof) shall be immediately destroyed or returned to Bon-Ton.

**17. Bon-Ton's Property.** All tools, equipment and materials of every description furnished to Vendor or paid for by Bon-Ton and any materials affixed or attached thereto, are and shall remain the personal property of Bon-Ton. Vendor shall not substitute any property for Bon-Ton's property and shall not use such property except in filling Bon-Ton's purchase orders. In the event that Bon-Ton supplies, directly or indirectly, and at no cost or a reduced cost, any tools, equipment or materials ("Assists") to be used in the overseas manufacture of Merchandise, Vendor shall ensure that the per unit cost of such Assist is noted on its invoices.

**18. Child Labor / Forced Labor.** Vendor shall not sell any Merchandise to Bon-Ton that was manufactured, packaged or shipped using child labor. The term “child” refers to a person younger than the age for completing mandatory education in the country of manufacture, but in no event shall any child younger than sixteen (16) years age be used in the manufacture, packaging or distribution of the Merchandise. Vendor shall maintain all records necessary to demonstrate compliance with this Section 18 and, if requested by Bon-Ton, provide a written certification of such compliance. Any Merchandise not manufactured in conformity with this Section 18 may, at Bon-Ton's option, be returned for replacement at Vendor's expense. Vendor shall permit representatives of Bon-Ton to enter each facility used in the manufacture, packaging or storage of Merchandise and its components, and enter the offices of each shipper used to transport Merchandise and components thereof, at any reasonable time to inspect relevant employment, health and safety records and to observe the manufacturing, packaging and shipping processes. Vendor shall not sell Merchandise to Bon-Ton that was manufactured, packaged or shipped using involuntary, forced, prison, bonded, indentured or slave labor. All employees of Vendor and its suppliers shall be guaranteed freedom of movement. Overtime shall be voluntary. Vendor shall conduct due diligence to prevent the recruitment/ hiring of victims of Human trafficking, debt bondage or other types of exploitation by third parties such as labor brokers or suppliers.

**19. Compliance with U.S. Foreign Corrupt Practices Act.** Vendor represents that in all undertakings relating to the business of Bon-Ton, Vendor will make no payments of money or anything of value, nor will such be offered, promised or paid, directly or indirectly, to any foreign official, political party, party official or candidate for public or political party office, to influence the acts of such officials, political parties, party officials, or candidates in their official capacity, to induce them to use their influence with a government to obtain or retain business or gain an improper advantage in connection with any business venture or contract in which Bon-Ton is a participant. Vendor shall indemnify, defend and hold harmless the Indemnitees from and against any and all liability, loss, demand, cause of action, cost and expense arising out of any violation or alleged violation by Vendor of the U.S. Foreign Corrupt Practices Act (“FCPA”), including all costs relating to any investigation related thereto. Vendor shall fully cooperate with any ethics and compliance investigation undertaken by Bon-Ton. Any violation of the FCPA by Vendor shall be deemed a material breach of a PO by Vendor and Bon-Ton shall have the right to terminate a PO upon such breach. Vendor shall not hire or consult with an agent, subcontractor or consultant with respect to the business of Bon-Ton without Bon-Ton's prior written consent. Bon-Ton shall have the right, but not the obligation, to audit the business of Vendor to ensure compliance with the FCPA. The audit shall include a full review of all FCPA related compliance procedures such as those for meeting with foreign governmental officials and compliance related training. Vendor shall provide adequate training to its employees, contractors and agents on compliance with the FCPA. At Bon-Ton's request, but in no event less than once per year, Vendor shall certify that it has not engaged in any conduct that violates the FCPA or any applicable laws, nor is it aware of any such conduct.

**20. FLSA Certification.** Vendor warrants that all Merchandise will be produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the U. S. Fair Labor Standards Act, as amended, and of the regulations and orders of the United States Department of Labor issued under Section 14 thereof.

**21. Mediation / Governing Law / Consent to Jurisdiction.** If a dispute arises out of or relates to a PO or an alleged breach thereof, and if the dispute cannot be settled through negotiations, at



Bon-Ton's option the parties shall attempt to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures or, if applicable, under its International Mediation Rules, before resorting to arbitration, litigation, or some other dispute resolution procedure. The laws of the State of Wisconsin, USA, not including its choice of law rules, shall govern all questions relating to the validity, interpretation or performance of a PO. Vendor consents to submit to the jurisdiction of said courts. The United Nations Convention on Contracts for the International Sale of Goods shall not be applied and shall specifically be excluded in the resolution of any dispute under this PO.

**22. Complete Agreement.** This PO, including the documents referenced herein, is the final, exclusive and complete record of the agreement between Bon-Ton and Vendor with respect to the subject matter hereof. No modification, amendment or waiver of any term or condition hereof shall be effective unless in writing signed by Bon-Ton. Notwithstanding any provision herein to the contrary, Bon-Ton may amend the PO Terms and Conditions and the documents referenced herein. Vendor is responsible for checking Bon-Ton's website to determine whether the PO Terms and Conditions or the documents referenced therein have been amended.

**23. Assignment.** Vendor shall not assign any PO, Vendor's responsibilities, obligations or rights under a PO without the prior written consent of Bon-Ton.

**24. Miscellaneous.** Headings used herein are for convenience only and shall not be used for interpretive purposes. The failure of Bon-Ton in any one or more instances to insist upon strict performance of any of the terms and provisions of the PO, or to exercise any option herein conferred, shall not be construed as a waiver or relinquishment, to any extent, of the right to assert or rely upon any such terms, provisions or options on any future occasion. If any provision in this Agreement is held to be invalid or unenforceable, such provision shall be construed, limited or, if necessary, severed, but only to the extent necessary to eliminate such invalidity or unenforceability, and the other provisions of this Agreement shall remain unaffected. The rights and remedies provided to Bon-Ton herein shall be in addition to any other right or remedy provided by law, and the exercise of any such right or remedy shall not constitute a waiver of any other right or remedy. These terms and conditions will survive the fulfillment of a PO. Bon-Ton reserves the right at any time to amend or revise these Terms and Conditions. The revised Terms and Conditions will be accessible via Bon-Ton's website. Bon-Ton shall have the right to use Vendor's trademarks, images and copyrighted material on comparison shopping engines and for the advertising and marketing of the Merchandise.

**25. Notices.**

All communications from Vendor to Bon-Ton relating to a PO shall be addressed to the Bon-Ton Buyer who placed the order. Any notice to be given regarding harmful or potentially harmful Merchandise as required under Section 10 of these Terms and Conditions must be sent to the Buyer and to Bon-Ton's Legal Department. Notices to the Legal Department must be sent via email to [mark.pettigrew@bonton.com](mailto:mark.pettigrew@bonton.com) and [greg.yawman@bonton.com](mailto:greg.yawman@bonton.com) and by a recognized overnight delivery service to:

The Bon-Ton Department Stores, Inc.  
2801 E. Market St.  
York, PA 17402  
Attn: Legal Department