

MASTER PURCHASE AGREEMENT (FOREIGN VENDORS)

This Agreement is made as of _____, 20____ between Williams-Sonoma Singapore Pte Ltd., a Singapore company and a wholly owned subsidiary of Williams-Sonoma, Inc., a Delaware corporation, on behalf of itself, Williams-Sonoma, Inc., and its affiliates (together referred to as “WSI”), and _____ (“Vendor”). WSI and Vendor agree as follows:

1. Purchase and Sale of Merchandise.

1.1 WSI may place purchase orders for merchandise carried by Vendor.

1.2 WSI may cancel any purchase order for convenience if Vendor has not started material performance to fill the order.

1.3 In addition to the terms of this Agreement and the purchase order, Vendor agrees to the terms of WSI’s Code of Conduct and the WSI Vendor Compliance Manual, including all charge-back policies contained in the Manual. WSI may revise these documents from time to time in its good faith discretion and will make them available to Vendor at the following secure Internet address: <http://www.williams-sonomainc.com/vendor-compliance/>. Vendor agrees to obtain and comply with the most current version of these documents.

1.4 Vendor agrees to use best efforts to make a consistent merchandise assortment available to WSI on a global basis, which best efforts include facilitating negotiations with distributors or other third parties when reasonable.

1.5 Vendor freight terms will be Free on Board (“FOB”) the designated city detailed on the purchase order. The FOB city detailed on the purchase order reflects the location of the container yard or consolidated freight station for the delivery of merchandise. Vendor will deliver merchandise to the designated point prior to the purchase order cancel date. Issuance of ship documentation by a Freight Forwarder prior to the delivery of cargo to the FOB city does not constitute acknowledgment of receipt of merchandise or delivery per the freight terms.

1.6 Subject to Section 2.2, WSI will pay Vendor via an electronic Wire Transfer payment method. WSI will pay Vendor for merchandise within 30 days after receipt of invoice and Forwarder’s Cargo Receipt (“FCR”). The WSI Vendor Compliance Manual provides additional information regarding WSI’s payment terms.

2. Merchandise Delivered to WSI.

2.1 Merchandise must meet the specifications that have been agreed to by WSI and Vendor. Vendor is responsible for merchandise quality. Vendor agrees that all merchandise will be free of defects in design, materials, and workmanship, including defects that could create a hazard to person or property. Vendor agrees that all merchandise, including packaging, delivered to WSI will not infringe the intellectual property rights or other proprietary rights of a third party, except that Vendor shall not be responsible for infringing merchandise or packaging to the extent the merchandise or packaging was designed by WSI.

2.2 WSI is not required to pay and is entitled to return the goods at Vendor’s expense for a prompt refund if: (i) merchandise does not conform to the specifications (“Non-Conforming Goods”); or (ii) a third party claims that the merchandise or packaging infringes its intellectual property rights (“Infringing

Goods”) and WSI makes a good faith business decision to stop selling the merchandise to minimize the risk to WSI. WSI is entitled to deduct amounts for claims for Non-Conforming or Infringing goods from current or future Vendor merchandise payments until the claim is satisfied.

2.3 If a shipment contains some Non-Conforming Goods and/or Infringing Goods, WSI is entitled to reject the entire shipment, although WSI uses its business judgment before doing so. No inspection or other action or inaction by WSI may be construed as acceptance of any Non-Conforming Goods or Infringing Goods.

2.4 WSI may, at its sole option, accept all Non-Conforming or Infringing Goods. If WSI does not accept Non-Conforming or Infringing Goods, Vendor must pay freight and handling costs associated with returning such Non-Conforming or Infringing Goods to Vendor, or must remove such merchandise from WSI’s possession at Vendor’s expense within 30 days from WSI’s request. If Vendor fails to remove Non-Conforming or Infringing Goods, WSI may dispose of the goods at Vendor’s expense. Vendor may not re-sell Non-Conforming or Infringing Goods unless such goods are not exclusive or proprietary to WSI under the other terms of the agreement, and all trademarks or other designations referring to WSI have been removed from such products.

2.5 If WSI is required to recall any Non-Conforming or Infringing Goods, then Vendor will pay all costs related to the recall.

2.6 Vendor will permit WSI and its agents to conduct quality inspections. However, Vendor remains responsible for merchandise quality, even if WSI conducts quality inspections. All costs of conducting quality inspections will be paid by WSI, except that Vendor will pay the inspection costs if the original inspection is cancelled or rescheduled due to Vendor’s fault.

3. **Delivery and Risk of Loss.**

3.1 Vendor agrees that all merchandise delivered to WSI was owned by Vendor prior to delivery.

3.2 Vendor will deliver merchandise to WSI or its agent per the freight terms and at the delivery location specified in the purchase order. Risk of loss and/or negligent handling of merchandise will rest with Vendor before WSI receives the merchandise at the delivery location specified in the purchase order.

3.3 Merchandise must be shipped to WSI on or after the “ship date” and before the “cancel date” specified in the purchase order. If WSI accepts and pays for untimely delivered merchandise, Vendor will not be released from any liability.

4. **Termination.**

4.1 Either party may terminate this Agreement at any time.

4.2 In the event of termination, outstanding purchase orders will be honored, unless Vendor has breached this Agreement. In addition, all sections of this Agreement other than Section 1.1 shall remain in effect.

5. **Insurance.**

5.1 Vendor agrees to obtain the types of insurance specified below with insurers reasonably acceptable to WSI and under forms of policy satisfactory to WSI.

5.1.1. **Liability Insurance.** Vendor agrees to obtain Product Liability insurance covering bodily injury and property damage with limits of liability not less than US \$1,000,000 combined single limit per occurrence.

5.1.1.1. The insurance must include coverage for products liability, liability assumed under contract and acts of independent contractors acting on Vendor's behalf. The coverage must extend to the United States and Canada for any products sold by Vendor to WSI.

5.1.1.2. The coverage must also name WSI and its officers, directors, employees, representatives and subsidiaries as "Additional Insureds."

5.1.1.3. Vendor shall maintain the policy naming WSI and its affiliates as Additional Insureds for a period beginning no later than the date of Vendor's acceptance of its initial purchase order from WSI and ending no earlier than five years following the date of Vendor's acceptance of its final purchase order from WSI.

5.1.2. **Worker's Compensation and Employer's Liability Insurance.** Vendor agrees to obtain Worker's Compensation and Employer's Liability insurance as required by law in the jurisdiction where it operates.

5.2 Vendor agrees to provide WSI with certificates of insurance evidencing these policies upon request. Vendor also agrees to provide WSI with 30 days' written notice of its cancellation or intent not to renew a policy, or any adverse material changes(s) to or expiration of a policy. Such certificates shall at a minimum state the policy numbers, dates of expiration, and limits of liability.

5.3 Vendor shall provide copies of the actual insurance policies if requested by WSI at any time. The failure of WSI to demand such policies or other evidence of full compliance with these insurance requirements, or the failure of WSI to identify a deficiency from evidence that is provided, shall not be construed as a waiver of Vendor's obligation to maintain such insurance.

5.4 The requirements contained in this Section 5 as to types, limits and approval of insurance coverage to be maintained by Vendor are not intended to, and shall not in any manner, limit or qualify the liabilities and obligations assumed by Vendor under this Agreement. Vendor may utilize reasonable deductibles given its size and financial stability. Vendor will be responsible to pay any loss amount that lies within its deductible, up to the maximum amount of the deductible.

5.5 Any and all sub-vendors or sub-contractors used by Vendor during the rendering of services to WSI will be required to comply with the insurance requirements and limits specified above.

6. **Ownership Rights.**

6.1 If the merchandise was solely developed by Vendor, then Vendor retains ownership of all intellectual property rights in the merchandise. If Vendor fails to comply with or does not fulfill accepted purchase orders issued pursuant to this agreement, or produces Non-Conforming or Infringing Goods, WSI shall have the right to source from third parties the merchandise that is the subject of the purchase order,

including merchandise that contains any intellectual property belonging to Vendor. This right shall continue for 12 months after the date of Vendor's non-performance.

6.2 If the merchandise was initially developed by Vendor but has been modified at WSI's request, Vendor retains ownership of any previously developed intellectual property rights that it owned in the merchandise. WSI retains ownership of any separable intellectual property rights that relate to the modification. Vendor must sell any merchandise that incorporates the requested modification exclusively to WSI. WSI shall have these exclusive rights to buy and re-sell the modified merchandise, whether the modifications incorporate intellectual property or not, for six months after the final purchase order is shipped to WSI.

6.3 If the merchandise was developed by Vendor exclusively for WSI, then WSI shall own all intellectual property rights in the merchandise.

6.4 If the merchandise contains a trademark owned by Vendor, all uses of that trademark will benefit only Vendor. If the merchandise contains a trademark owned by WSI, all uses of the trademark will benefit only WSI.

6.5 All molds, forms, patterns, specifications, drawings, designs, and other data or information furnished to Vendor by WSI shall remain the sole property of WSI and cannot be used by Vendor for itself or anyone other than WSI.

6.6 Vendor will not transfer or sell to any third party, or use for marketing or any other purpose, any merchandise or design that is sold exclusively to WSI, that is designed in any aspect by WSI, or that bears any WSI trademark or other company designation without written authorization from WSI.

6.7 Except as set forth in this section 6, neither party grants the other party any intellectual property rights.

7. **Food Vendors.** If the merchandise contains food:

7.1 Vendor will comply with all applicable food laws, including requirements related to the manufacture, packaging, labeling, distribution or sale of food wherever the products may be sold.

7.2 Any markings that appear on the merchandise or packaging, or accompany the merchandise, that designate the weight, measurement, ingredients, nutritional facts, allergens or quality of the merchandise will be correct.

7.3 Vendor will execute and comply with the terms of a Food Addendum, which shall serve to modify this Agreement as detailed in the Food Addendum.

8. **Direct Ship.** If Vendor is a direct ship vendor, then Vendor agrees to comply with WSI's direct ship terms, which will be attached to this Agreement.

9. **Indemnification.**

9.1 Each party agrees to indemnify, defend and hold harmless the other party and its brands, employees, agents and directors and their respective heirs and estates for all claims, lawsuits, losses, damages, penalties, liabilities or other expenses that arise from or relate to (i) any breach or alleged breach by such party of this Agreement, or (ii) any claim by such party's employees or agents for compensation, benefits or reimbursement of expenses.

9.2 Vendor agrees to indemnify, defend and hold harmless WSI and its brands, employees, agents and directors and their respective heirs and estates for all claims, demands, lawsuits, losses, damages, penalties, liabilities, attorneys fees, costs, or other expenses that arise from or relate to (i) a design or manufacturing defect in the merchandise, (ii) negligence or misconduct in the performance of duties by Vendor or its employees, subcontractors or agents, or (iii) a third party's claim or allegation that the merchandise infringes any of its intellectual property or proprietary rights, except to the extent the merchandise was designed by WSI.

10. **Confidential Information.**

10.1 "Confidential Information" means any information, in any format, that relates to any of WSI, Vendor, their affiliates, and their business, products, samples, prototypes, technologies, customers, mailing lists or marketing strategies, if the information is not generally known to the public or within the retail industry.

10.2 WSI and Vendor will each take reasonable steps to protect Confidential Information and use Confidential Information solely in connection with their rights under this Agreement and will not at any time during or after the term of this Agreement (i) otherwise exploit any Confidential Information, or (ii) disclose any Confidential Information, other than to persons who require access for purposes of this Agreement, unless such disclosure is required by law.

10.3 WSI and Vendor may each request that the other party return or destroy Confidential Information at any time.

10.4 WSI and Vendor each agree that monetary damages will not be sufficient to compensate for the unauthorized use or disclosure of Confidential Information and that the other party will be entitled to injunctive relief to prevent any actual or threatened breach of this Section 10.

11. **Miscellaneous.**

11.1 This Agreement, all purchase orders, and all other documents referenced in Section 1 constitute the entire agreement between WSI and Vendor.

11.2 WSI may assign in whole or in part its rights and obligations under this Agreement to any party. Vendor may not assign rights or obligations under this Agreement without the written consent of WSI.

11.3 The relationship between WSI and Vendor is strictly one of purchaser and seller. Nothing in this Agreement may be construed to create any partnership, joint venture, employment, agency or other relationship between WSI and Vendor.

11.4 Vendor will adhere to all laws and regulations that relate to its business and/or the performance of this Agreement. WSI will adhere to all laws and regulations that relate to its business and/or the performance of this Agreement.

11.5 Vendor agrees that it has not and will not give, offer, promise, or transfer any payment or anything of value, directly or indirectly, to (i) anyone working in an official capacity for a government, government entity, government-owned or government controlled company, or public international organization; (ii) any political party, political party official, or political candidate; or (iii) any third party acting on behalf of any of the foregoing to obtain, retain, or direct business; secure an improper advantage; or violate any applicable laws and regulations related to public or commercial bribery, extortion, kickbacks, or other unlawful or improper means of conducting business, including but not limited to the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act, the United States Export Administration Regulations (including the Antiboycott Regulations), and United States economic sanctions regulations. Vendor also agrees that it will not take any action, directly or indirectly, to cause WSI to be in violation of such laws and regulations. Vendor further agrees to notify WSI immediately of (a) any request Vendor receives to take any action, or (b) any action taken by Vendor that might place Vendor or WSI in violation of these laws and regulations.

11.6 Vendor agrees to notify WSI of any government inspection, proceeding, or request for information relating to WSI or WSI merchandise or products promptly and in any event within five (5) calendar days after Vendor learns of the government inspection, proceeding, or request.

11.7 All notices, exceptions, amendments or claims under this Agreement must be in writing.

11.8 This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to any conflict-of-laws rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

11.9 In the event of a dispute arising out of or relating to this Agreement, the parties may mutually agree to negotiate or mediate the dispute, with the costs of any such mediation to be equally shared by WSI, on the one hand, and Vendor, on the other. If the parties choose not to negotiate or mediate, or if the dispute is not finally resolved through mediation within a period of 60 days after the mediation begins, then, upon notice by either party to the other, the matter shall be fully and finally resolved in accordance with Section 11.10.

11.10 WSI and Vendor each irrevocably consents and agrees that any legal action, suit, or proceeding against either of them arising out of, relating to, or in connection with this Agreement, or the transactions contemplated hereby may be brought only in the federal or state courts sitting in San Francisco, California, and WSI and Vendor each hereby irrevocably accepts and consents to the exclusive jurisdiction and venue of such courts with respect to any such action, suit, or proceeding.

WSI and Vendor have executed this Agreement as of the date stated in the first paragraph.

WILLIAMS-SONOMA SINGAPORE PTE. LTD. [VENDOR]

By: _____
Name:
Title:

By: _____
Name:
Title:

Addresses for Notices (WSL):

70 Anson Road
#25-01, Hub Synergy Point
Singapore 079905
Attn: Legal Department

Addresses for Notices (Vendor):

