

**WOLVERINE WORLD WIDE, INC.**  
**STANDARD TERMS AND CONDITIONS OF SALE**

All sales by Wolverine World Wide, Inc. and its affiliates (collectively "Wolverine") are subject to the following terms and conditions of sale. "Goods" refers to any products sold by Wolverine and "Customer" refers to the person or entity purchasing Goods from Wolverine. The terms and charges below are superceded by any conflicting terms on Wolverine's price list or on invoices issued to Customer by Wolverine.

**Agreement.** All sales of Goods and any provision of services by Wolverine to Customer are governed by and subject to these standard terms and conditions of sale, as they may be amended from time to time by Wolverine, which form a binding agreement between Wolverine and Customer (the "Agreement"). This Agreement incorporates by reference all additional terms and conditions stated in applicable price lists, product catalogs, order acknowledgments, electronic data interchange directives, the Wolverine engagement criteria for trading partners and sources and other documentation furnished by Wolverine to Customer ("Additional Terms"). These standard terms and conditions govern in the event of any conflict or inconsistency with any Additional Terms. This Agreement is a complete and exclusive statement of the terms and conditions of the agreement between Wolverine and Customer. Any changes to this Agreement are binding and enforceable only if made in writing and signed by an authorized officer for both parties. Wolverine does not agree to and rejects any terms contained in Customer's purchase orders or other documents that are additional to or different from these terms. Terms that are printed on or contained in a purchase order or other form prepared by Customer additional to, in conflict with or inconsistent with these terms shall be inapplicable and shall have no force or effect. If Customer has not otherwise agreed to these terms, Customer's acceptance of delivery of, or full or partial payment for, the Goods will constitute Customer's acceptance of these terms and conditions.

**Orders.** All orders for Goods must be in the form of a purchase order submitted by Customer to Wolverine's Customer Service Department, at 9341 Courland Dr., NE, Rockford, Michigan 49351. All orders are subject to final approval by Wolverine. Upon approval, Wolverine may issue an order acknowledgment to Customer. Following approval by Wolverine, orders may not be changed or canceled without the written approval of Wolverine. Customer may request cancellation of a purchase order by submitting a written request to Wolverine's Customer Service Department. Customer will reimburse Wolverine for all expenses and losses resulting from any Customer change or cancellation.

**Prices.** The prices of Goods will be those prices published in the then current price list in effect on the date that Wolverine accepts the order for the Goods sold, or as specifically agreed by the parties in writing. Prices are subject to change without notice. Prices quoted are exclusive of all taxes and charges of any kind, including without limitation, sales, excise, use and property taxes. Wolverine will add all taxes and charges to the invoice and Customer agrees to pay all applicable taxes or charges levied by any tax authority, excluding any taxes based upon Wolverine's income. A handling fee of \$2.50 per pair will be charged on all orders for five pairs or less.

**Payment Terms.** Full payment for all Goods is due in accordance with the terms and payment procedures stated in the order acknowledgment or invoice issued by Wolverine to Customer. All payments shall be made in U.S. Dollars. Discount terms for early cash payments will apply only as specified in the invoice. Invoices not fully paid by the specified payment date are deemed overdue and unpaid balances will accrue interest at the rate specified in the applicable price list, or if no rate is specified, at the rate of two (2) percent above the prime rate published by Bank One or at the highest rate permitted by law, if lower. Wolverine will be entitled to suspend performance of any order or obligation to Customer until the Customer's account is current. If at any time Wolverine determines that Customer's financial condition, payment practices or credit rating does not justify a sale on credit, Wolverine may require advance payment (C.I.A.). Customer will reimburse Wolverine for all expenses, including reasonable attorneys' fees, incurred in the collection of any delinquent account or enforcing its rights under these terms and conditions.

**Title to Goods.** Title to and risk of loss of the Goods will pass to Customer upon delivery of the Goods to the Customer or the carrier at the shipping point. Customer grants Wolverine a security interest in the Goods and will keep the Goods properly stored, insured and identifiable as subject to Wolverine's lien until full payment is made by Customer for the Goods. Wolverine reserves the right to enter Customer's premises to repossess Goods for which payment is overdue. Notwithstanding the foregoing, Customer is entitled to sell the Goods and pass good title thereto to any unaffiliated third party; provided however, that such right will automatically cease if Customer becomes insolvent or if a petition in bankruptcy or receivership (or any similar legal or administrative proceeding) is filed by or against Customer, if any trustee or receiver is appointed for assets of Customer, or if Customer makes an assignment for the benefit of creditors.

**Delivery and Delay.** Wolverine will deliver Goods to Customer FOB shipping point by the method of shipment and routing determined by Wolverine, except as otherwise specifically agreed in writing between Wolverine and Customer. Customer will pay Wolverine for all delivery charges as established by Wolverine and stated in the invoice. Shipments are subject to the standard limitations on loss or liability imposed by the carrier, except to the extent Customer submits an advance written request for higher loss coverage as available from the carrier at Customer's cost. Any Delivery dates specified in an order acknowledgment are estimates only and time is not of the essence. Wolverine may deliver all of the Goods at one time or in portions from time to time. All deliveries are subject to modifications or cancellation due to events beyond Wolverine's reasonable control, including acts of God, compliance with any law, order, rule or regulation of any governmental or other authority, delay in transportation, labor disputes, strikes, failure of equipment or systems, or shortages of any labor or materials or services ("force majeure"). If Wolverine cannot finish and deliver the Goods on the estimated delivery date due to an event of force majeure or if Wolverine has reasonably endeavored to deliver the Goods on the estimated delivery date, the estimated time of delivery will be extended accordingly and Wolverine will not be liable for any loss of profit or property, or for any direct, indirect, special, incidental, consequential or other damages caused by any delay or failure to deliver. If Customer causes or requests a delay in the manufacture or delivery of any Goods, Customer will reimburse Wolverine for all resulting damages, including without limitation, payment of reasonable storage expenses for the Goods during the period of delay or interruption. A drop shipment fee of \$3.50 will be charged on all drop shipments in addition to normal freight charges.

**Retail Prices.** Wolverine recommends that Customer resell the Goods to the public at the retail prices quoted from time to time in the applicable catalog or recommended retail price list, excepting only genuine seasonal sales or other occasional promotions conducted by Customer.

**Credits and Chargebacks.** Claims for credits and chargebacks will be considered by Wolverine only if: 1) received by Wolverine within sixty (60) days of ship date or reasonable delivery of the specific goods that are the subject of such claim, and 2) submitted to Wolverine with a complete description identifying the specific goods and the reason that Customer is claiming such credit or chargeback. Credits and chargebacks may be denied by Wolverine in Wolverine's sole discretion and, without limiting the foregoing, will be denied without review if not submitted within the sixty (60) day period with required descriptions.

**Permitted Sales.** Customer is only permitted to resell the goods to end-users as "first quality" goods at retail locations approved by Wolverine. Customer is prohibited from selling any Goods at a retail location not approved by Wolverine or to any party that Customer knows or has reason to suspect intends, directly or indirectly, to resell the Goods or transport the Goods elsewhere for resale. Resale or transshipment of Goods to an unauthorized location or to another business is prohibited. Customer shall immediately notify Wolverine of any parties seeking Goods for resale or transport in violation of this Agreement. Customer will inspect all Goods for damage before offering them for sale and will not sell any Goods (including packaging materials) that are damaged, defective, "irregular", "seconds", or otherwise fail to qualify as "first quality" unless Wolverine has specifically authorized such sales in writing. Customer will not sell any Goods through catalogs other than those prepared by Wolverine, television shopping channels, discount venues including "outlet" or "factory direct" malls or flea markets or through other direct marketing methods including direct mail or door-to-door solicitation except as specifically authorized by Wolverine in writing. Customer is prohibited from promoting, advertising or selling any Goods through the Internet, computer "web sites" or "home pages", computer on-line transactions or similar technology developed in the future, except as specifically authorized in a signed Internet Agreement between Wolverine and Customer. Wolverine may withhold or revoke its consent to any of the above at any time in its sole discretion.

**Warranty.** Wolverine warrants that upon delivery the Goods will be free from defects in material and workmanship under proper and normal use. Goods shall be considered "defective" if the defect materially impairs the value of the Goods for their intended use to Customer or the end-user. Wolverine further warrants that all Goods and services will be produced and furnished in accordance with applicable laws and regulations, including the Fair Labor Standards Act of 1938, as amended.

**Remedies.** In accordance with the terms of the limited warranty stated above ("Warranty"), Wolverine will repair or replace any defective Goods, provided that written notice of the defect is received by Wolverine within thirty (30) days of the appearance of such defect. If notice is not given within such period, any claim for breach of warranty shall be conclusively deemed to have been waived and Wolverine shall not be liable under this Warranty.

**Stock Returns.** All sales are final and no return of nondamaged Goods will be accepted without prior written authorization from Wolverine. If Wolverine determines that it erred on the quantity, style or other aspect regarding the initial shipment of Goods, Wolverine will authorize the return of saleable Goods and will forward Customer an authorization number provided the request for return authorization is made within thirty (30) days of Customer's receipt of the merchandise shipped in error. Upon receipt of authorized stock returns marked with the applicable authorization number, Wolverine will credit Customer's account with the price initially charged for the returned Goods plus the amount expended by Customer on freight. A \$3.00 per pair restocking fee (\$4.00 for Merrell® brand footwear) and \$2.50 per pair repackaging fee may be deducted from the credit if not caused by Wolverine's error. If Customer ships nondamaged merchandise to Wolverine without first obtaining Wolverine's written authorization, such shipment will be refused by Wolverine's Return Goods Department, returned to Customer at Customer's expense and a \$3.00 per pair handling fee and return freight will be charged to Customer.

**Damaged Goods.** Prior return authorization from Wolverine for damaged Goods (worn or unworn) is required. If a return is approved, Wolverine will authorize the return of saleable Goods and will forward Customer an authorization number. Damaged Goods should be shipped in cartons marked "DAMAGED" and if worn, also marked "WORN" and be marked with the applicable authorization number. Wolverine's Quality Assurance Department will inspect returned Goods upon receipt and determine whether such Goods are actually of inferior quality.

If inspection reveals no legitimate reason to issue credit, Wolverine will inform Customer that there is "No Credit" and such Goods will be immediately disposed of unless: 1. Customer has specifically requested that all "No Credit" Goods be returned to Customer, or 2. Customer has enclosed a note with the Goods requesting that specific Goods be returned if "no credit" can be allowed. Return of "No Credit" Goods shall be at Customer's expense.

In the case of damaged but unworn Goods, Wolverine will credit Customer's account with the price initially charged for the Goods plus the amount expended by Customer on freight. In the case of damaged but worn Goods, Wolverine will credit Customer's account with an amount equal to a percentage of the amount initially charged Customer for the Goods, plus the amount expended by the Customer on freight. This percentage will be 100%, 50% or 0% based on the estimated normal degree of wear (exclusive of the defect) remaining in the Goods when returned, as determined by Wolverine's Return Goods Department.

**Return Goods Address.** All authorized stock returns and all returns of damaged Goods must be shipped in compliance with Wolverine's returned goods procedure to the following address or such other address as communicated to Customer in writing and will not be accepted at any other location: **Wolverine World Wide, Inc., Return Goods Department, 123 N. Main Street, Rockford, MI 49351.**

**Limitations on Warranty.** Wolverine's liability for any defect in the Goods, whether based on contract, tort, warranty, strict liability, or any other theory, shall not exceed the purchase price of the defective Goods. **THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER ORAL, WRITTEN, EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE. IN PARTICULAR, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE REMEDY OF REPAIR OR REPLACEMENT PROVIDED UNDER THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER REMEDIES. WOLVERINE SHALL HAVE NO LIABILITY TO THE CUSTOMER FOR CONSEQUENTIAL, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES OF ANY KIND WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, PERSONAL INJURY NOT CAUSED BY NEGLIGENCE OF WOLVERINE, PROPERTY DAMAGE, LOST PROFITS OR OTHER ECONOMIC INJURY DUE TO ANY DEFECT IN THE GOODS OR ANY BREACH OF THIS AGREEMENT BY WOLVERINE. WOLVERINE SHALL NOT BE LIABLE TO THE CUSTOMER IN TORT FOR ANY DEFECT IN THE DESIGN OR MANUFACTURE OF THE GOODS.**

No representative, agent or dealer of Wolverine has authority to modify, expand, or extend this Warranty, to waive any of the limitations or exclusions of this Warranty, or to make any different or additional warranties with respect to any Goods or services furnished by Wolverine.

**Intellectual Property.** Customer acknowledges Wolverine's ownership of all trademarks, service marks, copyrights, imprints, rights of publicity, patents, design patents, registered designs, industrial designs, trade dress, product design, trade secrets and other intangible rights relating to the Goods (collectively "Wolverine Intellectual Property") and acknowledges that Customer shall have no right, title or interest whatsoever in any Wolverine Intellectual Property. Any use of Wolverine Intellectual Property in the promotion or sale of Goods will inure to the sole benefit of Wolverine, shall be subject to Wolverine's approval and shall strictly conform to sales and advertising guidelines as established from time to time by Wolverine. Customer grants Wolverine an irrevocable, unrestricted and fully paid license of any intellectual property (such as designs, copyrightable advertising or promotional materials) developed in connection with the Goods and agrees to provide, and obtain from all third parties, all assignments or "work for hire" certifications necessary to secure Wolverine's rights to all such intellectual property.

**Period of Limitations.** No claim, suit or other proceeding may be brought by Customer for any breach of the foregoing Warranty by Wolverine or in any way arising out of this Agreement or relating to the Goods after one (1) year from the date the cause of action accrues.

**Applicable Law.** This Agreement between Wolverine and Customer shall be considered to have been made in the State of Michigan, and it shall be governed by and interpreted according Michigan law, without giving effect to conflict of law principles. Any action arising out of or relating to the Agreement may be brought only in a federal or state court in Grand Rapids, Michigan, having jurisdiction of the subject matter, and Customer irrevocably consents that such court shall have personal jurisdiction over Customer and waives any objection that the court is an inconvenient forum.

**Independent Contractor.** Wolverine is an independent contractor under this Agreement. Nothing in this Agreement shall be deemed to make Wolverine or its employees or agents an employer, employee, partner or joint venturer of Customer.

**Miscellaneous.** If any provision of this Agreement is invalid or unenforceable under any applicable law, the provision shall be ineffective to that extent and for the duration of the illegality, but the remaining provisions shall be unaffected. Customer shall not assign any of its rights nor delegate any of its obligations under this Agreement without the prior written consent of Wolverine. This Agreement shall be binding upon and enforceable by and against Customer and Wolverine, and their respective legal representatives, successors, and assigns.

**Wolverine's Rights.** Wolverine has all rights and remedies given to sellers by applicable law, and Wolverine's rights and remedies are cumulative and may be exercised from time to time by Wolverine. No waiver by Wolverine of any breach of the Agreement by Customer shall be effective unless in writing nor operate as a waiver of any other breach. Wolverine shall not lose any right because it has not exercised that right in the past.