

PURCHASE ORDER STANDARD TERMS AND CONDITIONS

This purchase order ("Purchase Order" or "PO") is issued by Taylor Made Golf Company, Inc., Sun Day Red, LLC, or an affiliate thereof (collectively, "TaylorMade") and is made expressly subject to these additional terms and conditions. This PO is between TaylorMade and the seller-supplier listed on the front of the PO ("Supplier").

1. Acceptance of Purchase Order and Terms and Conditions. This PO is an offer to buy certain "goods", which term includes all goods that are required to be delivered by Supplier pursuant to the Purchase Order, and includes all materials, component parts, packaging, and labeling of such goods. Supplier shall accept this Purchase Order by signing the acceptance copy and returning it to TaylorMade or through an electronic acceptance system as may be established by TaylorMade. In the absence of such written or electronic acceptance, Supplier's shipment of the goods or commencement of performance of the work called for by this Purchase Order shall be deemed acceptance of this Purchase Order. By acceptance of this Purchase Order, Supplier agrees to be bound by, and to comply with all the terms and conditions of this Purchase Order, including any supplements and instructions hereto, and all specifications and other documents referred to in this Purchase Order. This Purchase Order does not constitute an acceptance by TaylorMade of any offer to sell, any quotation, or any proposal by Supplier. Reference in this Purchase Order to any such offer to sell, quotation, or proposal shall in no way constitute a modification of any of the terms and conditions of this Purchase Order. ANY ATTEMPTED ACKNOWLEDGEMENT OF THIS PURCHASE ORDER OR COMMUNICATIONS OF SUPPLIER CONTAINING TERMS AND CONDITIONS INCONSISTENT WITH OR IN ADDITION TO THE TERMS AND CONDITIONS OF THIS PURCHASE ORDER IS NOT BINDING UPON TAYLORMADE UNLESS SPECIFICALLY ACCEPTED BY TAYLORMADE IN WRITING.

2. Default; Delay. Time is of the essence. Except in instances of Supplier's delay in performance, including, without limitation, delivery of the goods described herein, which are due to causes beyond the control and without the fault or negligence of Supplier or subcontractors, direct and indirect, at every subcontract level, TaylorMade may by written notice of default to Supplier:

(a) Terminate the whole or any part of this PO if: (1) Supplier fails to perform within the time specified herein, or any extension thereof approved in writing by TaylorMade or so fails to make progress as to endanger performance of this PO with its terms, or (2) Supplier fails to perform any of the other provisions of this Purchase Order, and in either of these two circumstances Supplier does not cure such failure within 10 days (or such longer period as TaylorMade may authorize in writing) after receipt of notice from TaylorMade specifying such failure. In addition to any other remedies available to TaylorMade, upon such termination TaylorMade may procure, upon such terms as it shall deem appropriate, goods, supplies or services similar to those so terminated, in which case Supplier shall continue performance of this Purchase Order to the extent not terminated, and shall be liable to TaylorMade for any excess costs and expenses for such similar goods, supplies or services; or (b) as an alternate remedy, and in lieu of termination for default, TaylorMade, at its sole discretion, may elect (1) to extend the delivery schedule and/or (2) to waive other deficiencies in Supplier's performance, in which case an equitable reduction in the Purchase Order price shall be negotiated. In the event Supplier for any reason anticipates difficulty in complying with the required delivery date, or in meeting any of the other requirements of this Purchase Order, Supplier shall promptly notify TaylorMade in writing. If Supplier does not comply with TaylorMade's delivery schedule, TaylorMade may require delivery by fastest method and route and all changes resulting from the premium transportation must be fully prepaid and absorbed by Supplier. TaylorMade's rights and remedies provided in this Section 2 shall not be exclusive

and are in addition to any other rights and remedies provided by law and equity under this Purchase Order or otherwise available to TaylorMade.

3. Inspection.

A. All goods shall be subject to inspection and test by TaylorMade to the extent practicable at all times and places prior to final acceptance by TaylorMade. If any inspection or test is made on the premises of Supplier or subcontractor, Supplier without additional charge shall provide, and shall cause such subcontractor to provide, all reasonable facilities and assistance for the safety and convenience of all inspectors in the performance of their duties. All inspections and tests on the premises of Supplier or subcontractor shall be performed in such a manner as not to unduly delay the work. Supplier shall provide and maintain an inspection and process control system acceptable to TaylorMade covering the goods hereunder. Records of all inspection work by Supplier shall be kept complete and available to TaylorMade during the performance of this Purchase Order and for a minimum of three years thereafter.

B. No goods received by TaylorMade pursuant to this Purchase Order shall be deemed accepted until TaylorMade has had reasonable opportunity to inspect such goods. Final acceptance or rejection of the goods shall be made as promptly as practical after delivery, but failure to inspect and accept or reject goods or failure to detect defects by inspection shall not relieve Supplier from responsibility for such goods that are not manufactured in accordance with the Purchase Order specifications and requirements, or which impose liabilities on TaylorMade. Payment of the full invoice amount by TaylorMade for the goods shall not be deemed final acceptance of the goods until TaylorMade and all TaylorMade affiliates or regions worldwide receiving shipments of such goods have had a reasonable opportunity to inspect the goods.

4. Warranties. Supplier warrants that all goods sold hereunder or pursuant hereto will be free of any liens, encumbrances and claims of any nature by any third party and that Supplier will convey clear title thereto to TaylorMade. Supplier warrants that all goods sold hereunder will be of merchantable quality, free from all defects in design, workmanship and materials, and will be fit for the particular purposes for which they are purchased and that the goods are provided in strict accordance with the specifications, samples, drawings, designs or other requirements provided by TaylorMade to Supplier in connection with this Purchase Order or published by TaylorMade generally, all of which are incorporated herein by this reference. ANY ATTEMPT BY SUPPLIER TO LIMIT, DISCLAIM, MODIFY, OR RESTRICT ANY SUCH WARRANTIES OR REMEDIES OF TAYLORMADE, INCLUDING CONSEQUENTIAL DAMAGES, BY ACKNOWLEDGEMENT OR OTHERWISE, SHALL BE NULL, VOID AND INEFFECTIVE WITHOUT TAYLORMADE'S PRIOR WRITTEN CONSENT.

5. Rejections. If (a) any of the goods hereby ordered are found at any time to be defective in material or workmanship, in breach of any warranty contained herein, or otherwise not in conformity with the requirements of this Purchase Order, including the applicable specifications, samples, drawings, designs or other requirements provided by TaylorMade, or (b) Supplier ships a quantity of goods more or less than, as applicable, +/- 5% of the quantity ordered hereunder (any excess being referred to as an "overage" and any deficiency a "shortage"), then TaylorMade, in addition to such other rights, remedies and choices as it may have at law, in equity, hereunder or in any TaylorMade policy, at its option and sole discretion may (1) reject and return such goods at Supplier's expense, (2) set-off debts owed or payable to Supplier under this Purchase Order or other Purchase Order(s), as applicable, against any expenses incurred by TaylorMade in addressing such defect, excess, or overage, or (3) require Supplier to inspect the goods and remove and replace nonconforming goods with goods that conform to this Purchase Order. If TaylorMade elects option (3) above and Supplier fails to promptly, and in a manner acceptable to

TaylorMade, make the necessary inspection, removal and replacement, TaylorMade may at its option inspect and sort the goods, and Supplier shall pay the cost thereof.

6. TaylorMade's Property. Unless otherwise agreed in writing, all tools, equipment and material of every description furnished to Supplier by TaylorMade or paid for by TaylorMade, and any replacement thereof, and any items or materials affixed or attached thereto, shall be and remain the personal property of TaylorMade. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Supplier as "TaylorMade Property," and shall be safely stored separate and apart from Supplier's property. Supplier shall not substitute any property for TaylorMade Property and shall not use such property except in filling TaylorMade's Purchase Orders. Such property while in Supplier's custody or control shall be held at Supplier's risk, shall be kept insured by Supplier at Supplier's expense in an amount equal to the replacement cost with loss payable to TaylorMade and shall be subject to removal at TaylorMade's written request, in which event Supplier shall prepare such property for shipment and shall redeliver to TaylorMade in the same condition as originally received by Supplier, reasonable wear and tear excepted, all at Supplier's expense.

7. Changes and Allowances. TaylorMade may at any time, in writing, make changes within the general scope of this Purchase Order, including, without limitation, specifications, samples, drawings, designs or other requirements provided by TaylorMade; method of shipment or packing; or place of delivery. If any such change causes a material increase or decrease in the cost of, or the time required for the performance of any work under this Purchase Order, an equitable adjustment shall be made in the contract price and/or delivery schedule, and the Purchase Order shall be modified in writing accordingly. Any claim by Supplier for adjustment under this clause must be asserted within 30 days from the date of receipt by Supplier of the notification of change. These terms and conditions may be amended by TaylorMade at any time.

8. Non-Assignment. Supplier shall not assign this Purchase Order or any interest herein or any payment due or to become due hereunder to any affiliate or third party without TaylorMade's prior written consent, and any such assignment by Supplier without such consent shall be void. For purposes of this Purchase Order, a merger or change in control of Supplier shall be deemed an assignment by Supplier. Supplier agrees to recognize any affiliate of TaylorMade placing a Purchase Order with Supplier as having those rights attributed to TaylorMade hereunder.

9. Set-Off. All claims for money due or to become due from TaylorMade shall be subject to deduction or set-off by TaylorMade by reason of any counterclaim arising out of this or any other transaction with Supplier.

10. Compliance with Laws. Supplier agrees that in the performance of its obligations hereunder, Supplier and its agents, employees, subcontractors shall (a) comply with all applicable domestic and foreign laws, ordinances, codes, rules, regulations and orders, including executive orders now existing or hereafter enacted, adopted or enforced by any governmental body or agency, including where applicable all such laws, ordinances, codes, rules, regulations and orders pertaining to labor and working conditions, safety and health, and hazardous materials, (b) apply for, obtain, and pay for all necessary permits and licenses, and pay applicable fees in connection therewith, (c) pay promptly when due any and all applicable sales, excise, or other taxes due on materials furnished in connection with services performed, and all taxes and amounts due under applicable unemployment, social security, and worker's compensation laws, and (d) comply with all TaylorMade [Supplier Responsibility Standards](#), as may be issued and/or amended from time to time. Any costs related to the validation of compliance with the above including audits, corrective action planning etc. are the sole responsibility of Supplier.

11. Confidentiality. Supplier shall keep confidential all Confidential Information provided, shared, or disseminated to it in connection with this Purchase Order and shall not divulge, share, disseminate, export or use directly or indirectly, such information without obtaining TaylorMade's prior written consent. Except as required for the efficient performance of this Purchase Order, Supplier shall not make copies or permit copies to be made of Confidential Information without TaylorMade's prior written consent. If any reproduction is made with TaylorMade's prior consent, this notice shall be provided thereon. Upon completion or termination of this Purchase Order, Supplier shall promptly return to TaylorMade all Confidential Information and any copies thereof, incorporating all such information. Unless otherwise agreed to in writing, no commercial or technical information disclosed in any manner or at any time to TaylorMade by Supplier shall be deemed secret or confidential and Supplier shall have no rights against TaylorMade with respect thereto except such rights as any exist under any applicable intellectual property law. "Confidential Information" means, with respect to TaylorMade, all technical, financial and business information of any kind whatsoever whether tangible, intangible, visual, electronic, audio, present, or future information including, but without limitation, product names, features or characteristics, data, know-how, compilations, blueprints, algorithms, processes, improvements, designs, sequences, systems, schemas, methods, ideas, components, samples, systems, test results, computer programs, audio and/or video recordings, information on computer disks or flash drives, software, source code, object code, sketches, photographs, CAD files, plans, drawings, product concepts, specifications, plans, printouts and other printed, typewritten or handwritten documents, inventions (whether or not patentable or copyrightable), information about operations and maintenance, trade secrets, formulae, models, patent disclosures, tapes, reports, laboratory notebooks, business and financial plans, information concerning actual or anticipated business, research or development, strategies, budgets, supplier names, customer names, distributor names, pricing information, production/manufacturing information, product sales information, product sales forecasts, inventions, ideas, prototypes, contemplated trademarks, samples, assembly processes, apparel, footwear, accessories, and accessories related thereto.

12. For Work on TaylorMade's or its Customer's Premises. If work performed by Supplier or its subcontractors under this Purchase Order will be carried out by Supplier or subcontractors on the premises of TaylorMade or one of its customers, Supplier shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work and, except to the extent that any such injury is due solely and directly to TaylorMade's or its customer's negligence, as the case may be, Supplier shall indemnify and hold harmless TaylorMade and its customers, against all loss, cost and expense suffered or incurred by TaylorMade or such customers (including, without limitation attorney's fees, if applicable) that may result in any way from any act or omission of Supplier, its agents, employees, or subcontractors, and Supplier shall maintain such commercial general liability, umbrella liability, property damage, worker's compensation, and employer's liability and compensation insurance as will, in TaylorMade's sole judgment, protect TaylorMade and its customers from said risks.

13. Insolvency. Without prejudice or limitation to TaylorMade's rights and remedies at law or in equity, or any other rights TaylorMade may have, TaylorMade may cancel any and all Purchase Orders if (a) Supplier ceases to conduct its operations in the normal course of business, including Supplier's inability to meet its obligations as they mature, or if any proceeding under the bankruptcy or insolvency laws is brought by or against Supplier, or a receiver for Supplier is appointed or applied for, or an assignment for the benefit of creditors is made by Supplier, or (b) TaylorMade reasonably believes that Supplier, by reason of a material deterioration in its financial position, or non-compliance with any relevant laws or regulations, embargo, quota or restriction of import of the goods by the country of destination, will be unable to fully comply with its obligations, whether express or implied, under any Purchase Order.

TaylorMade shall not be liable for any costs, expenses, loss or damages that Supplier or its subcontractors may have suffered as a result of such cancellation.

14. Termination. TaylorMade may terminate all or any part of this PO without cause at any time by written notice to Supplier. Upon such termination, TaylorMade and Supplier shall negotiate reasonable termination charges, which charges shall not exceed the direct costs actually expended by Supplier prior to such termination for equipment specific to the production of the goods, materials, components, labor, freight and subcontractors, if any (and excluding all overhead charges) in performing hereunder, less the costs to Supplier of equipment that may be used by Supplier in the production of goods for a third party, materials and subcontractors' products that are reusable by Supplier, which termination charges shall be the total damages and shall be Supplier's sole and exclusive remedy for any such termination. Supplier shall identify in writing to TaylorMade all of such direct costs within 45 days after any such termination; direct costs not so identified shall be excluded for all purposes in making the foregoing calculation.

15. Waiver. No claim or right arising out of a breach of this Purchase Order can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is in writing signed by the aggrieved party. The failure of TaylorMade to enforce at any time or for any period of time any of the provisions hereof shall not be construed to be a waiver of such provisions nor the right of TaylorMade thereafter to enforce each and every such provision.

16. License and Intellectual Property. TaylorMade grants to Supplier, and Supplier hereby accepts, the non-transferable and non-exclusive right, license, and authority to use the applicable TaylorMade intellectual property only in connection with, as applicable, the design, development, manufacture, and supply of the goods subject to this Purchase Order and on associated packaging and labels, advertising and marketing materials, as permitted hereunder and as instructed by TaylorMade. Nothing in this Agreement or any Purchase Order shall be construed as granting Supplier any right or license to TaylorMade intellectual property, Confidential Information, or any other rights, except those necessary to the design, development, manufacture, and supply of the goods, as applicable. Supplier agrees that all drawings, designs, files, images, specifications, films, layouts, keylines, plans, inventions and other Confidential Information related to this Purchase Order, including any subsequent developments and improvements created and developed by Supplier has been or shall be assigned to TaylorMade, and if applicable, shall be legended: "COPYRIGHT TAYLOR MADE GOLF COMPANY, INC." and shall constitute "work made for hire" under U.S. copyright law or any other intellectual property law, vesting exclusive ownership in TaylorMade for all intellectual property rights including patents, trademarks, copyrights, trade secrets, and know-how.

Supplier shall indemnify TaylorMade and its customers against any claims that the goods, or any article, apparatus, or part thereof, or materials used therein, which is furnished or used under this Purchase Order, as well as any device or process necessarily resulting from the use or manufacturing thereof, constitutes an infringement of any patent, copyright, trade secret, trademark or other proprietary or confidential right of any third party. If the use of the good, article, apparatus, part, materials, process or device is enjoined, Supplier shall, at its own expense and at its option, either procure for TaylorMade the right to lawfully continue using said good, article, apparatus, part, materials, process or device, replace same with a non-infringing equivalent, or remove same and refund to TaylorMade the purchase price and transportation and installation costs thereof.

17. Pricing and Payment Terms. Prices for the goods and/or services will be set out in this Purchase Order. Charges exceeding the amount specified in this Purchase Order shall not be allowed unless specifically agreed to by TaylorMade in writing. Unless otherwise agreed in writing, Supplier shall not make and TaylorMade shall not be liable for any material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet TaylorMade's delivery schedule. Unless the Purchase Order specifies otherwise, payment shall be due by TaylorMade net 120 days after

acceptance of invoice counting from the day when the invoice is issued by Supplier. All charges and payments shall be in United States dollars unless otherwise stated in the applicable Purchase Order.

18. **Shipping.** Unless otherwise specified by TaylorMade in the Purchase Order, goods shipped ocean will be shipped FOB port (INCOTERMS 2010) and goods shipped by air will be FCA port (INCOTERMS 2010) with the port to be specified by TaylorMade, and Supplier shall bear all transportation, insurance, and shipping costs until such point. For FOB port shipments, the costs and risk of loss transfers from Supplier to TaylorMade when the goods are loaded on board the ship at the named port. For FCA port shipments, the costs and risk of loss transfers from Supplier to TaylorMade when the goods have been delivered to the carrier at the named port. These shipping terms shall govern unless TaylorMade changes the shipping terms pursuant to Section 7.

19. **Excusable Delays.** Supplier shall not be liable for damages or delays in delivery due to causes beyond its control. However, if Supplier for any reason does not comply with TaylorMade's delivery schedule, TaylorMade in addition to its remedies at law or in equity and hereunder may at its sole option approve a revised delivery schedule. If TaylorMade approves a revised delivery schedule and directs Supplier to ship by a method other than indicated on the face of this Purchase Order, Supplier agrees to pay any additional transportation and other charges incurred as a result of such direction.

20. **New Material.** Unless otherwise provided in this Purchase Order, the goods to be delivered hereunder shall consist of new materials (not used or reconditioned).

21. **Governing Law; Disputes.** This Purchase Order, with all documents incorporated herein, shall be governed exclusively by and interpreted according to the laws of California, USA, without reference to its conflicts or choice of law provisions. Venue in any action brought for any matter or cause of action arising out of or in any way related to this Purchase Order shall be exclusively in the state or federal court in the County of San Diego, California, USA. For the avoidance of doubt, the foregoing shall not restrict TaylorMade's right to file an injunction or a similar action or to enforce the judgments of the state or federal court in the County of San Diego or its corresponding appellate court(s) in any other court of competent jurisdiction in the world. Except as otherwise provided in this Purchase Order, any dispute arising hereunder that is not settled by agreement between the Parties, may be settled by appropriate legal proceedings. Pending a final decision of any dispute hereunder, Supplier shall proceed diligently with the performance of this Purchase Order. No course of prior dealings between the Parties and no usage of the trade shall be relevant to determine the meaning of these terms and conditions.

22. **Supplier Changes.** Supplier shall make no changes in the Purchase Order or in the design, configuration, material, parts or manufacturing processes specified by TaylorMade without TaylorMade's prior written authorization.

23. **Indemnification.** Supplier shall indemnify and hold harmless TaylorMade, its officers, employees, agents, representatives, affiliates, shareholders, successors and assigns from and against all loss, damage, cost or expense (including without limitation, attorney's fees, if applicable) suffered or incurred by such indemnities on account of, or in any way related to, injury to person or property caused by or alleged to have been caused by the goods manufactured and/or supplied by Supplier or its subcontractor(s), Supplier's or its subcontractor(s) performance or failure to perform hereunder including without limitation, Supplier's breach of any of the warranty provisions herein. Without limitation to Section 18, Supplier agrees to indemnify and hold TaylorMade harmless for any and all loss, cost, damage, and expense that TaylorMade shall sustain as a result or in consequence of the loss of or damage to the goods during such time the goods are in Supplier's or its subcontractor(s) control.

24. **Security Breach and Corrective Action Reporting.** Security breaches, where Supplier knows or suspects loss or theft of the goods throughout the supply chain, must be reported to TaylorMade within 48 hours of the incident. Report should be addressed to TaylorMade Global Sourcing Department, and should include: address of incident, date of incident, description of breach (how security was breached), and quantified description of loss or theft. A corrective action plan to remedy the security breach should be developed and submitted for review to TaylorMade within one week from the date of the incident and shall address actions to be taken to mitigate against recurrence of the security breach. Leaks must be reported to TaylorMade as soon as the leak is discovered.

25. **Subcontractors.** Supplier must notify TaylorMade in writing at least thirty (30) days in advance of the proposed engagement of any subcontractor, with such engagement to be subject to TaylorMade's prior written approval in its sole discretion. Supplier shall cause and ensure that all subcontractors comply with TaylorMade's [Supplier Responsibility Standards](#), all TaylorMade policies issued from time to time, all applicable laws, and all the provisions under this Purchase Order that are relevant to the protection of TaylorMade Property. Supplier shall not disclose any Confidential Information to any proposed subcontractor prior to TaylorMade's approval of such subcontractor, and then only if such subcontractor agrees to be bound by confidentiality obligations no less restrictive than found herein.

26. **Entire Agreement.** This PO (including all terms set forth above), together with any fully executed master agreement, and any exhibits incorporated therein contain all the terms and conditions relating to the sale of goods and supersedes all prior oral understandings and agreements and any written instruments not signed by TaylorMade including all prior terms and conditions, purchase orders, and representations and warranties. In the event of a conflict between the language of this PO with any oral or written agreement not signed by TaylorMade, the language of this PO shall be controlling. In the event of a conflict between the language of this PO and a fully executed and unexpired written master agreement between the Parties, the terms of such master agreement shall be controlling.