



## HALLMARK CARDS PLC STANDARD CONDITIONS OF ORDER

### 1.1 Definitions:

**Contract:** the contract between the Customer and the Supplier for the sale and purchase of the Goods or Services in accordance with these Conditions and the Order.

**Conditions:** the terms and conditions set out in this document as amended from time to time

**Customer:** Hallmark Cards Plc registered in England and Wales with registered address of Dawson Lane, Bradford, West Yorkshire BD4 6HN and with company number 3414540

**Goods or Services:** the goods or services (or any part of them) set out in the Order

**Mandatory Policies:** the Customer's business policies and codes listed in Schedule 1, as amended by notification to the Supplier from time to time.

**Order:** the Customer's Order for the Goods, as set out in the Customer's purchase Order form or in the Customer's written acceptance of the Supplier's quotation.

**Specification:** any specification for the Goods or Services, including any related plans and drawings and statements of works, that is agreed [in writing] by the Customer and the Supplier.

**Supplier:** the person or firm from whom the Customer purchases the Goods or Services.

### 1.2 Interpretation

- (a) A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- (b) A reference to a party includes its representatives, successors and permitted assignees.
- (c) A reference to **writing** or **written** includes faxes and emails.
- (d) The headings to the clauses of these Conditions are for ease of reference only and shall in no way affect the interpretation or construction of these Conditions.
- (e) Unless the context otherwise requires words importing the singular number shall include the plural number and vice versa, words importing the masculine gender shall include the feminine gender and words importing persons shall include corporations.

## 2. Contract

- 2.1 These Conditions apply to the Contract to the exclusion of any other terms that the Supplier seeks to impose or incorporate, or which are implied by law, trade custom, practice or course of dealing.
- 2.2 The Customer will not be liable for any goods or services supplied otherwise than pursuant to an Order issued on the Customer's printed Order form duly signed on behalf of the Customer, or an Order issued in some other form approved by the Customer.
- 2.3 The Order constitutes an offer by the Customer to purchase the Goods in accordance with these Conditions.
- 2.4 The Order shall be deemed to be accepted on the earlier of:
  - (a) the Supplier issuing a written acceptance of the Order; and
  - (b) the Supplier doing any act consistent with fulfilling the Order,at which point the Contract shall come into existence.

### 3. Goods and/or Services and Warranties

- 3.1 In performing the Contract, the Supplier shall exercise proper skill and judgement so as to ensure that the Goods and/or Services shall:
- (a) correspond with their description and any applicable Specification;
  - (b) be of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) and fit for any purpose held out by the Supplier or made known to the Supplier by the Customer expressly or by implication, and in this respect the Customer relies on the Supplier's skill and judgement; and
  - (c) where they are manufactured products, be free from defects in design, material and workmanship and remain so for 12 months after delivery.

The Supplier shall satisfy himself that he understands the Customer's requirements so as to be in a position to comply with his obligations and also so as to prevent delay on account of any modifications which may be necessary to meet the Customer's needs. The costs of any modification shall be deemed to be included in the price. All relevant British and International Standards shall be deemed to have been specified unless expressly excluded.

- 3.2 Goods or Services delivered and/or receipted under an Order are accepted contingently only upon their being in full conformity with the specifications and such receipt shall not prejudice the Customer's rights in respect of hidden defects:
- (a) which could be observed only after use of close inspection (which inspection may not take place until time subsequent to actual receipt); or
  - (b) which may not be apparent or discovered by inspection at the time of delivery, but which may be discovered at a later date.
- 3.3 The Customer reserves the right to reject any goods or services which are faulty or do not conform to the quality, standard, description or applicable Specification specified in an Order. Any goods or services which are rejected will be held at the Supplier's risk and may be returned to the Supplier at its risk and expense. In the case of services these will be held in abeyance at the Supplier's risk.
- 3.4 Nothing in these Conditions shall operate to exclude any warranty, guarantee or condition on the part of the Supplier as to quality, fitness for a particular purpose or any other matter implied by common law, statute, custom of the trade or otherwise, all of which warranties, guarantees and conditions shall accordingly apply unless expressly excluded by the terms of the Order. The Customer may assign to its successors, assignees, customers and users of the Customer's products which incorporate any of the goods or services the benefit of the above warranties.

### 4. Delivery

- 4.1 The Supplier shall ensure that:
- (a) the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition. Should any of the Goods or Services supplied be toxic, inflammable or otherwise hazardous, this should be clearly marked by the Supplier on all packages containing, or on any documentation relating to such Goods or Services, in accordance with all relevant statutes, regulations and international codes and conventions. Packing cases, boxes, reels and drums will not, except under special arrangement, be paid for, but if marked as returnable they will be returned to the Supplier subject to the Supplier paying the cost of carriage.; and
  - (b) each delivery of the Goods is accompanied by a delivery note which shows the date of the Order, the Order number (if any), the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the Goods are being delivered by instalments, the outstanding balance of Goods remaining to be delivered.
- 4.2 The Supplier shall deliver the Goods/supply the Services on the date and at the place specified on the Order ("**Delivery Date**" and "**Delivery Location**") during the Customer's normal business hours as instructed by the Customer.
- 4.3 Time of delivery shall be of the essence of the contract.

- 4.4 Delivery in instalments shall be permitted only with the written consent of the Customer and such permission if given shall not entitle the Supplier to claim payment prior to completion of the contract unless otherwise expressly agreed in writing.
- 4.5 If the goods or services are to be delivered in instalments and the Supplier makes late deliveries or deliveries of goods or services which are not in accordance with the provisions of clause 3.1, to a material degree, in respect of one or more instalments the Customer may, at its option, treat such defective delivery as a repudiation of the whole contract.
- 4.6 A delivery note must accompany each delivery. Failure to do so will delay payment of invoices.
- 4.7 The Supplier will notify the Customer if and as soon as it becomes apparent that it will be unable to deliver the Goods or Services on the agreed date.
- 4.8 If the Supplier:
- (a) delivers less than 95% of the quantity of Goods ordered, the Customer may reject the Goods; or
  - (b) delivers more than 105% of the quantity of Goods ordered, the Customer may at its discretion reject the Goods or the excess Goods and any rejected Goods shall be returnable at the Supplier's risk and expense. If the Supplier delivers more or less than the quantity of Goods ordered, and the Customer accepts the delivery, a pro rata adjustment shall be made to the invoice for the Goods.
- 4.9 If the Goods or Services are not delivered on the Delivery Date, or do not comply with the undertakings set out in clause 3.1, then, without limiting any of its other rights or remedies, and whether or not it has accepted the Goods, the Customer may exercise any one or more of the following rights and remedies:
- (a) to terminate the Contract;
  - (b) to reject the Goods (in whole or in part) and return them to the Supplier at the Supplier's own risk and expense;
  - (c) to require the Supplier to repair or replace the rejected Goods, to re-perform the Services, or to provide a full refund of the price of the rejected Goods or Services (if paid);
  - (d) to refuse to accept any subsequent delivery of the Goods or Services which the Supplier attempts to make;
  - (e) to recover from the Supplier any costs incurred by the Customer in obtaining substitute goods from a third party; and
  - (f) to claim damages for any other costs, loss or expenses incurred by the Customer which are in any way attributable to the Supplier's failure to carry out its obligations under the Contract.
- 4.10 In the event that Goods or Services, materials or parts specified by the Customer are not likely to be available at the time required for fulfilment of an Order at such a time as will prevent the Order from being fulfilled on time, the Supplier shall notify the Customer as soon as reasonably practicable of such unavailability. No substitutes shall be used without the written consent of the Customer.
- 4.11 These Conditions shall apply to any repaired or replacement Goods supplied by the Supplier.
- 4.12 The Customer's rights and remedies under these Conditions are in addition to its rights and remedies implied by statute and common law.

## **5. Title and Risk**

- 5.1 Title and risk in the Goods or Services shall pass to the Customer on completion of delivery.
- 5.2 The risk in the Goods or Services shall remain with the Supplier until delivered to the Customer in accordance with Clause 4 above or, where appropriate, unloaded at the place specified on the face of the Order. The Supplier shall be responsible for insuring the Goods or Services until risk passes to the Customer.

## **6. Price and Payment**

- 6.1 The price of the Goods or Services shall be the price agreed in any Supplier quotation which should match that set out in the Order, or, if no price is quoted, the price set out in the Supplier's published price list in force as at the date the Contract came into existence.

- 6.2 The price of the Goods
- (a) includes the costs of packaging, insurance and carriage of the Goods.
  - (b) excludes amounts in respect of value added tax (**VAT**), which the Customer shall additionally be liable to pay to the Supplier at the prevailing rate, subject to the receipt of a valid VAT invoice.
- 6.3 The packaging shall comply with the Customer's specifications or requirements as notified to the Supplier. In the case of non-compliance, the Supplier shall make such alterations as may be necessary so as to comply, without any extra charge to the Customer.
- 6.4 No extra charges shall be effective unless agreed in writing with the Customer.
- 6.5 The statutory and any express or implied right of the Supplier to a lien over the goods or services and to any rights of stoppage in transit are hereby expressly excluded.
- 6.6 The Supplier may invoice the Customer for price of the Goods plus VAT at the prevailing rate (if applicable) on or at any time after the completion of delivery. The Supplier shall ensure that the invoice includes the date of the Order, the invoice number, the Customer's purchase order number, the Supplier's VAT registration number and any supporting documents that the Customer may reasonably require. Failure to supply full details as above may result in a delay of invoice payment.
- 6.7 The Customer shall pay correctly rendered invoices 60 days after the end of the calendar month in which delivery is made (except where otherwise agreed in writing between the Customer and the Supplier or as stated in the Order itself). Payment shall be made to the bank account nominated in writing by the Supplier.
- 6.8 Payment will be made without prejudice to the Customer's rights if the goods or services prove to be unsatisfactory or not in accordance with specification or approved sample.
- 6.9 When an invoice subject to discount is not posted on the day of despatch or shipment, the discount period shall commence from the date of receipt by the Customer of such invoice.
- 6.10 The Customer may at any time set off any liability of the Supplier to the Customer against any liability of the Customer to the Supplier, whether either liability is liquidated or unliquidated, and whether or not either liability arises under the Contract. Any exercise by the Customer of its rights under this clause shall not limit or affect any other rights or remedies available to it under the Contract or otherwise.
- 6.11 If a party fails to make any payment due to the other party under the Contract by the due date for payment, then the defaulting party shall pay interest on the overdue sum from the due date until payment of the overdue sum, whether before or after judgment. Interest under this clause will accrue each date at 4% a year above the Bank of England's base rate from time to time, but at 4% a year for any period when the base rate is below 0%.

## **7. Customer materials and Intellectual Property**

- 7.1 The Supplier acknowledges that all goods, services, materials, equipment and tools, drawings, Specifications, and data supplied by the Customer to the Supplier (Customer Materials) for the execution of any Order of the customer and all rights in the Customer Materials are to be used exclusively for the purpose of the Customer's Orders and shall remain the exclusive property of the Customer. The Supplier shall keep the Customer Materials in safe custody at its own risk, maintain them in good condition until returned to the Customer and not dispose or use the same other than in accordance with the Customer's written instructions or authorisation.
- 7.2 The Supplier covenants that goods or services and materials produced to the Customer's design or formula or by the Customer's own process shall not be sold or offered for sale or otherwise made available to any other person, firm or company without the express consent of the Customer in writing.
- 7.3 The intellectual property rights in all patterns, designs, formulae, specifications and other materials produced by the Supplier in the fulfilment of any Order placed by the Customer and which are based on or derived from patterns, designs, formulae, specifications or other materials supplied by the Customer shall automatically vest in the Customer upon their creation and the Supplier shall upon the request and at the expense of the Customer execute all such further documents as may be necessary to vest such intellectual property rights in the Customer.

## 8. Indemnity

- 8.1 The Supplier shall indemnify the Customer fully and effectively against any injury (including death) to any person which may arise out of any act, omission, default or negligence of the Supplier, its employees, sub-contractors or agents and against any claims, costs, expenses, demands, fines, liability, loss (including consequential loss) and damage of whatever nature (including professional advisors' fees) ("**Losses**") incurred or suffered by the Customer, its officers, agents and employees or any of them arising directly or indirectly:
- (a) as a result of any of the goods or services supplied pursuant to an Order failing to comply with the specifications, warranties or guaranties contained or implied in the Order of these Conditions;
  - (b) out of any breach or dispute as to breach of these Conditions by the Supplier;
  - (c) out of any breach or dispute as a breach of any warranty, guarantee or condition implied by any legislation or statutory regulation applicable in respect of an Order;
  - (d) as a result of goods or services supplied, services provided or material published by the Supplier or by or on behalf of the Customer on the Supplier's behalf in pursuance to an Order.
  - (e) as a result of any claim made against the Customer for actual or alleged infringement of a third party's intellectual property rights (including with limitation any patent, utility model, copyright, registered design, registered or unregistered trademark or trading style or right relating to any confidential information or secret process of manufacture) arising out of or in connection with the manufacture, supply or use of the Goods or Services, to the extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors;
  - (f) from any breach of the Customer's Mandatory Policies as listed in Schedule 1 of this agreement.
- 8.2 The parties agree and acknowledge that nothing in these Conditions shall operate so as to create a relationship of employment between the Customer and any individuals engaged by the Supplier to provide the Goods or Services, including the Supplier's workers, employees or consultants (the "**Supplier Personnel**"). The Supplier shall indemnify and keep the Customer indemnified in respect of: (ii) any Losses suffered or incurred by the Customer arising out of or in connection with any employment-related claim or any claim based on worker status brought by the Supplier Personnel against the Customer; and (i) any Losses suffered or incurred by the Customer in respect of income tax, National Insurance contributions or other deductions (whether made by HM Revenue and Customs or any other relevant authorities or otherwise) arising out of or in connection with any payments made to the Supplier Personnel in connection with the provision of the Goods or Services.
- 8.3 The parties do not consider that termination of the Goods or Services (or any part thereof) or the termination of the Contract, for any reason, is likely to constitute a relevant transfer for the purpose of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended from time to time) (TUPE). However, if, whether during the term of the Contract or on termination or expiry for any reason of the whole and/or any part of the Contract or the Goods or Services the employment or engagement of any Supplier Personnel is transferred or alleged to have transferred to the Customer or to a replacement supplier, by virtue of TUPE or otherwise, the Supplier will indemnify the Customer and any replacement supplier against all Losses arising out of or in connection with the employment or termination of employment of such individuals (including any claims pursuant to TUPE).
- 8.4 This Clause 8 shall survive termination of the Contract.

## 9. Insurance

During the term of the Contract, the Supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance to cover the liabilities that may arise under or in connection with the Contract, and shall, on the Customer's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.

## 10. Confidentiality and Data Protection

- 10.1 Each party undertakes that it shall not disclose to any person any confidential information concerning the business, affairs, technical information, know-how, customers, clients or suppliers of the other party,

except as permitted by clause 10.2. This restriction will continue to apply without limit in time, but will cease to apply to information which may come into the public domain otherwise than through unauthorised disclosure by the Supplier.

- 10.2 Each party may disclose the other party's confidential information:
- (a) to its employees, officers, representatives, contractors, subcontractors or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under the Contract. Each party shall ensure that its employees, officers, representatives, contractors, subcontractors or advisers to whom it discloses the other party's confidential information comply with this clause 11; and
  - (b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.
- 10.3 Neither party shall use the other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with the Contract.
- 10.4 Unless a separate Data Processing Agreement is in place, both parties shall comply with the Data Protection Policy, include as a Mandatory Policy in Schedule I.

## **11. Compliance with relevant laws and policies**

- 11.1 In performing its obligations under the Contract, the Supplier shall:
- (a) comply with all applicable laws, statutes, regulations and codes from time to time in force;
  - (b) not criminally facilitate the evasion of any tax liability, and have procedures and policies in place to ensure compliance with the Criminal Finance Act 2017;
  - (c) as soon as reasonably practicable notify the Customer of:
    - any request or demand for any financial or other advantage received by it; and
    - any financial or other advantage it gives or intends to give whether directly or indirectly in connection with this Agreement; and
    - as soon as reasonably practicable notify the Customer of any breach of this **clause 11.1(c)**;
  - (d) not commit any act which causes the Customer to be guilty of an offence under Section 7 Bribery Act;
  - (e) comply with the Mandatory Policies, namely, the Modern Slavery Policy, the Data Protection Policy and the Supplier Code of Conduct
  - (f) not use or supply any individual to the Customer under this Contract who provides their services to the Customer through an intermediary for the purposes of Chapter 10 of Part 2 of the Income Tax (Earnings and Pensions) Act 2003.
- 11.2 The Customer may immediately terminate the Contract for any breach of clause 11.

## **12. Termination**

- 12.1 The Customer may terminate the Contract in whole or in part at any time before delivery of the Goods with immediate effect by giving the Supplier written notice, whereupon the Supplier shall discontinue all work on the Contract. The Customer shall pay the Supplier fair and reasonable compensation for any work in progress on the Goods at the time of termination, but such compensation shall not include loss of anticipated profits or any consequential loss.
- 12.2 Without limiting its other rights or remedies, the Customer may terminate the Contract with immediate effect by giving written notice to the Supplier if:
- (a) the Supplier commits a material breach of any term of the Contract and (if such a breach is remediable) fails to remedy that breach within 15 days of being notified in writing to do so;
  - (b) the Supplier takes any step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), obtaining a moratorium, being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or ceasing to carry on business [or, if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction];

- (c) the Supplier takes any step or action in connection with the Supplier being made bankrupt, entering any composition or arrangement with its creditors, having a receiver appointed to any of its assets, or ceasing to carry on business [or if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction];
- (d) the Supplier suspends, or threatens to suspend, or ceases or threatens to cease to carry on all or a substantial part of its business; or
- (e) the Supplier's financial position deteriorates so far as to reasonably justify the opinion that its ability to give effect to the terms of this agreement is in jeopardy.

The Customer shall not be liable for any loss to the Supplier including consequential loss resulting from any cancellation of an Order pursuant to this clause 12.2.

### **13. Force Majeure**

- 13.1 Neither party shall be liable to the other for any loss or damage due to any cause beyond its reasonable control and not due to such party's negligence ("**Force Majeure**") including without limitation any act of God, extreme weather conditions, failure or shortage of power supplies, epidemic, pandemic, flood, drought, lightning or fire, strike, lock-out, blockade, trade dispute or labour disturbance (other than strikes, lock-outs, trade disputes or labour disturbances directly involving its employees), the act or omission of Government, transport authorities, public telecommunications operators or other competent authority, terrorism, wars, military operations, riot, difficulty delay or failure in manufacture production or supply by third parties of equipment or services, earthquake, explosion, burst pipes, malicious damage, impact, civil commotion and accidental damage. If either party seeks to rely on Force Majeure it shall as soon as is reasonably practicable give full particulars in writing to the other of the facts or circumstances giving rise to Force Majeure.
- 13.2 In the event of Force Majeure affecting the Supplier's performance of the Contract, the parties shall use reasonable endeavours to agree and implement a disaster recovery programme appropriate to the prevailing circumstances.
- 13.3 If an event of Force Majeure continues for a period of 30 days or more, either party shall have the right to terminate this Agreement immediately by notice in writing to the other at any time after the expiry of such period while such Force Majeure event continues to be operative without thereby incurring any liability to the other.

### **14. Claims**

Upon service of any notice to the Customer of any claim to which any of the indemnities contained in these Conditions may relate, the Customer shall take such action as the Supplier may reasonably request to avoid, dispute, resist, appeal, compromise or defend the claim in relation to any relevant third party but subject to the Customer being indemnified and secured to its reasonable satisfaction by the Supplier against all losses, costs, damages and expenses incurred. If the Supplier does not request the Customer to take any such action, or shall fail to indemnify and secure the Customer to its reasonable satisfaction within seven days of the notice of claim, the Customer shall be free to pay or settle the claim in relation to the third party on such terms as it may in its absolute discretion think fit.

### **15. General**

#### **15.1 Assignment and other dealings**

- (a) The Customer may at any time assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any or all of its rights or obligations under the Contract.
- (b) The Supplier may not assign, transfer, subcontract, mortgage, charge, delegate, declare a trust over or deal in any other manner with any or all of its rights or obligations under the Contract without the prior written consent of the Customer.

- 15.2 **Subcontracting.** The Supplier may not subcontract any or all of its rights or obligations under the Contract without the prior written consent of the Customer. If the Customer consents to any subcontracting by the Supplier, the Supplier shall remain responsible for all the acts and omissions of its subcontractors as if they were its own.

- 15.3 **Entire agreement.** The Contract constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 15.4 **Variation.** Except as set out in these Conditions, no variation of the Contract, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by the Customer.
- 15.5 **Waiver.** No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- 15.6 **Severance.** If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this agreement. If any provision of the Contract is deemed deleted under this clause 15.6 the parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.
- 15.7 **Notices.** Any notice or other communication given to a party under or in connection with the Contract shall be in writing and shall be addressed to the recipient set out in the Order or to such other address as the parties may designate by notice given in accordance with the provisions hereof. Any such notice may be delivered personally or by first class prepaid letter or by e-mail and shall be deemed to have been served if by delivery when delivered, if by first class post 48 hours after posting and if by e-mail when dispatched.
- This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 15.8 **Third Party Rights.** Unless it expressly states otherwise, the Contract does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Contract.
- 15.9 **Governing law.** The Contract, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.
- 15.10 **Jurisdiction.** Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the Contract or its subject matter or formation.

## SCHEDULE 1 – MANDATORY POLICIES

The Mandatory Policies are:

1. Modern Slavery Policy
2. Data Protection Policy
3. Supplier Code of Conduct

# MODERN SLAVERY POLICY

## INTRODUCTION

Hallmark Cards, Incorporated believes that the products and services offered under the Hallmark, Crayola and other subsidiary brands should embody the high standards that are central to our beliefs and values: we believe in excellence in all that we do; we believe in high standards of ethics and strict compliance with the laws; we believe that our employees are our most valuable resource; and we believe how we create our products and services is just as important as their quality.

Our beliefs and values compel Hallmark's commitment to fight against modern slavery and a recognition that our practices should be consistent with the UN Guiding Principles on Business and Human Rights and the ILO Conventions.

## DEFINITION

Modern Slavery is a term used to encompass slavery, servitude, forced and compulsory labor, bonded and child labor and human trafficking. Victims are coerced, deceived or forced into providing work or services. Human trafficking is where a person arranges or facilitates the travel of another person with a view to exploiting them. Modern Slavery is a crime and a violation of fundamental human rights. The victims of Modern Slavery are often unable or unwilling to challenge the treatment they are suffering. Examples of Modern Slavery may include:

- The hidden exploitation of job applicants or workers by third party individuals or gangs other than the employer or labor provider (including rogue individuals working within businesses without the knowledge of management).
- Exploitation through a variety of means for example, imposing a requirement on a worker to pay for work-finding services, withholding of travel papers, or the forced use of accommodation by workers.

## SCOPE

This policy applies to Hallmark Cards, Incorporated and its subsidiaries and affiliates, and their officers, directors, employees (collectively "Hallmark") and Hallmark's third-party suppliers and service providers, contractors, agents, licensees, and recruitment, temporary staffing and employment agencies (collectively "Providers").

## POLICY

Hallmark strictly prohibits the use of Modern Slavery in its business and in the supply chains used to create our products and services and is committed to implementing systems and controls to accomplish this goal. Hallmark relies on its employees and those working on its behalf to take responsibility for the prevention, detection and reporting of Modern Slavery.

## PROCEDURE

Hallmark expects all Hallmark employees and Providers to remain vigilant in identifying circumstances where there is a risk that Modern Slavery might be occurring in any part of the Hallmark's business or in any of its Providers and to report any such circumstances in full and without delay.

Hallmark will, where reasonably practicable, contractually obligate its Providers to comply with terms that reflect the spirit and intention of this policy in their own businesses and in their own supply chains. Providers contractually obligated to follow Hallmark's Code of Conduct satisfy this requirement through the inclusion of the Code of Conduct provisions under "Workplace Standards and Practices: Employment is Freely Chosen."

For Hallmark employees, Hallmark will implement training and ongoing communication for relevant employees regarding Modern Slavery so that they know how to identify it in practice and how to respond.

For Hallmark employees responsible for recruiting, temporary staffing and employment agencies, Hallmark will educate such employees about Modern Slavery issues and risks. Hallmark's recruiting, temporary staffing and employment agencies shall:

- provide information describing their program for preventing, discovering and reporting instances of Modern Slavery
- not require job applicants to pay any job finding fees and will not knowingly engage with any individual or organisation to source and supply workers without first seeking confirmation that workers are not being charged a work finding fee.

Hallmark will engage with external resources and stakeholders to gain a clearer understanding of how Modern Slavery operates in different contexts and the risks of Modern Slavery in the industries in which we operate.

Hallmark will assess and review the risk that Modern Slavery may be occurring in any part of its own business and in any of its Providers or supply chains. In light of any such risk assessments, it may conduct training, seek specific reassurances from its Providers and seek to carry out due diligence or specific audits either itself or through third parties to satisfy itself that Modern Slavery is not occurring. Hallmark has a zero-tolerance policy for violations of this Modern Slavery Policy and every instance of non-compliance will be addressed. We aim to work with Providers to remediate incidents of non-compliance and improve conditions for individuals, but may terminate the relationship in response to deliberate, gross, or repeated violations or failure to take corrective action.

Hallmark is committed to reporting violations of this policy that have the potential to constitute criminal activity to appropriate legal authorities. All such reporting must be coordinated through the Hallmark Legal Division.

Compliance with this policy is mandatory. Failure to comply will result in disciplinary action, up to and including termination of employment for employees and cancellation of contracts for Providers.

## **RESPONSIBILITY FOR IMPLEMENTATION**

Human Resources is responsible for implementing training on and awareness of this policy for relevant employees at the start of employment and at intervals sufficient to maintain organizational awareness and is responsible for overseeing compliance by recruiters.

Supply Chain is responsible for overseeing compliance by Providers and ensuring contractual obligations are in place where appropriate.

## **REPORTING VIOLATIONS OR POTENTIAL VIOLATIONS**

As a Hallmark employee, if you become aware of a violation of this policy or have a question about a possible violation, you must take appropriate steps to promptly bring the matter to the attention of Hallmark through any of the following channels:

- Your manager or another member of management;
- A Human Resources or Employee Relations representative; or
- A member of the Hallmark Internal Audit Department; or
- An attorney in the Hallmark Legal Department.

If you do not feel comfortable reporting the issue through the internal channels, report it through EthicsPoint (HallmarkEthics.com or 1-800-883-9103). EthicsPoint is a hotline hosted by NAVEX Global, an international organization, independent of Hallmark, which helps businesses deter unethical and illegal acts. EthicsPoint's internet site and toll-free phone number operate 24 hours a day, 7 days a week, and 365 days a year. You can report anonymously using either option but if you choose to remain anonymous, please provide sufficient

information so the matter may be investigated and resolved. Please note that the toll-free phone option may not be available to all employees outside of the United States and Canada.

If a report is not made directly to the Hallmark Legal Department, the person to whom the report is made must immediately report the concern to the Hallmark Legal Department 001-816-274-5583.

All complaints will be treated confidentially to the extent practical for an effective resolution.

Individuals will not be disciplined or retaliated against for making a good faith complaint or for assisting in a complaint investigation. Reporting concerns in good faith means the report was truthful, sincere and complete to the best of the reporting person's knowledge. Any act of retaliation is a violation of the Policy and should be reported immediately to management or HR/ER, or through EthicsPoint (HallmarkEthics.com or 1-800-883-9103).

Providers or other third parties may report potential violations of this Policy or suspected instances of modern slavery to [codeofconduct@hallmark.com](mailto:codeofconduct@hallmark.com).

### SUPPLIER OBLIGATIONS UNDER HALLMARK'S MODERN SLAVERY POLICY

The following clauses form part of the Mandatory Modern Slavery Policy and apply specifically to Suppliers;

1. For the purposes of this Contract, "**Modern Slavery Practice**" encompasses but is not limited to (a) slavery, servitude, forced, compulsory and bonded labour (b) child labour (that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development) (c) human trafficking including where victims are coerced, deceived and forced against their free will into providing work or services (d) breaches of the UK's Modern Slavery Act 2015 ("**the MSA**") (e) practices which violate other similar laws and conventions including but not limited to the International Labour Organisation's Forced Labour Convention 1930 (No. 29) and Protocol.
2. The Supplier shall ensure that it does not engage in any Modern Slavery Practice. The Supplier shall further ensure that there are no Modern Slavery Practices anywhere in its supply chain whether that be by tier one contractors, agents, suppliers of goods or services or services or other parties further down the Supplier's supply chain ("**Supply Chain Parties**").
3. The Supplier shall and shall procure that all Supply Chain Parties shall at all times comply with the Customer's Supplier Code of Conduct.
4. The Supplier shall at the request of the Customer respond to any anti-slavery due diligence questionnaire issued to the Supplier and warrants that its responses shall be complete and accurate.
5. The Supplier shall provide the Customer, at the Customer's cost with such assistance and information (including access to records, persons and premises) as it may require from time to time to enable the Customer to (i) perform any activity required by any government, regulatory entity or agency in any relevant jurisdiction relating to Modern Slavery Practices or as required by the Buyer (ii) prepare a slavery and human trafficking statement as required by S.54 of the MSA (iii) identify any Modern Slavery Practice and carry out due diligence in relation to the effectiveness of any steps taken to counter any Modern Slavery.
6. The Supplier shall immediately notify the Customer in writing if it becomes aware of a breach or suspected breach of any of its obligations under policy, including but not limited to the occurrence of Modern Slavery Practices within the Supplier or any Supply Chain Parties. Without prejudice to the Customer's other rights under this contract the Supplier agrees to take all reasonable steps requested by the Customer to address any instances of Modern Slavery Practices in the Supplier's operations or the operations of Supply Chain Parties.

## DATA PROTECTION POLICY

### DEFINITIONS

**Data Protection Legislation:** (i) unless and until the GDPR is no longer directly applicable in the UK, the General Data Protection Regulation ((EU) 2016/679) and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and then (ii) any successor legislation to the GDPR or the Data Protection Act 1998.

### 1. DATA PROTECTION

- 1.1 Both parties will comply with all applicable requirements of the Data Protection Legislation. This clause is in addition to, and does not relieve, remove or replace, a party's obligations under the Data Protection Legislation.
- 1.2 The parties acknowledge that for the purposes of the Data Protection Legislation, either party may, at different times, be a Data Controller or a Data Processor in accordance with the provisions of the Pre-Existing Contracts (where **Data Controller** has the meaning given to the term 'controller' and **Data Processor** has the meaning given to the term 'processor' in the Data Protection Legislation).
- 1.3 Due to the nature of the Agreement, unless otherwise stated in Exhibit A, it is expected that personal data exchanged between the parties will be limited to contact details of personnel employed by the Parties. This will typically consist of name, work address, email address and telephone numbers. Hallmark will be the data controller of contact details of supplier personnel.
- 1.4 Without prejudice to the generality of clause 1.1, the Data Controller will ensure that it has all necessary appropriate consents and notices in place to enable lawful transfer of the Personal Data to the Data Processor for the duration and purposes of this Agreement.
- 1.5 Without prejudice to the generality of clause 1.1, the Data Processor shall, in relation to any Personal Data processed in connection with the performance by the Data Processor of its obligations under this Agreement:
  - (a) process that Personal Data only on the written instructions of the Data Controller unless the Data Processor is required by the laws of any member of the European Union or by the laws of the European Union applicable to the Data Processor to process Personal Data (**Applicable Laws**). Where the Data Processor is relying on laws of a member of the European Union or European Union law as the basis for processing Personal Data, the Data Processor shall promptly notify the Data Controller of this before performing the processing required by the Applicable Laws unless those Applicable Laws prohibit the Data Processor from so notifying the Data Controller;
  - (b) ensure that it has in place appropriate technical and organisational measures, reviewed and approved by the Data Controller, to protect against unauthorised or unlawful processing of Personal Data and against accidental loss or destruction of, or damage to, Personal Data, appropriate to the harm that might result from the unauthorised or unlawful processing or accidental loss, destruction or damage and the nature of the data to be protected, having regard to the state of technological development and the cost of implementing any measures (those measures may include, where appropriate, pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of its systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the technical and organisational measures adopted by it);

- (c) ensure that all personnel who have access to and/or process Personal Data are obliged to keep the Personal Data confidential; and
- (d) not transfer any Personal Data outside of the European Economic Area unless the prior written consent of the Data Controller has been obtained and the following conditions are fulfilled:
  - (i) the Data Controller or the Data Processor has provided appropriate safeguards in relation to the transfer;
  - (ii) the Data Subject has enforceable rights and effective legal remedies;
  - (iii) the Data Processor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred; and
  - (iv) the Data Processor complies with reasonable instructions notified to it in advance by the Data Controller with respect to the processing of the Personal Data;
- (e) assist the Data Controller, at the Data Processor's cost, in responding to any request from a Data Subject and in ensuring compliance with its obligations under the Data Protection Legislation with respect to security, breach notifications, impact assessments and consultations with supervisory authorities or regulators;
- (f) notify the Data Controller without undue delay on becoming aware of a Personal Data breach;
- (g) at the written direction of the Data Controller, delete or return Personal Data and copies thereof to the Data Controller on termination of the Agreement unless required by Applicable Law to store the Personal Data; and
- (h) maintain complete and accurate records and information to demonstrate its compliance with this clause

1.6 The Data Processor shall obtain the prior written consent of the Data Controller:

- (a) before appointing any third party processor of Personal Data under this Agreement; and/or
- (b) before replacing any third party processor of Personal Data under this Agreement that the Data Controller has previously consented to.

Where the Data Controller so consents, the Data Processor confirms that it has entered or (as the case may be) will enter with the third-party processor into a written agreement incorporating terms which are substantially similar to those set out in this clause and will require the third-party processor to enter into a written agreement incorporating terms which are substantially similar to those set out in this clause with each further processor which the third-party processor appoints. As between the Data Controller and the Data Processor, the Data Processor shall remain fully liable for all acts or omissions of any third-party processor appointed by it pursuant to this clause.

1.7 If at any time the parties are acting as joint Data Controllers under this Agreement each party hereby confirms that it has entered or (as the case may be) will enter with any third-party processor that it chooses to appoint into a written agreement incorporating terms which are substantially similar to those set out in this clause and will require the third-party processor to enter into a written agreement incorporating terms which are substantially similar to those set out in this clause with each further processor which the third-party processor appoints.

1.8 Either party may, at any time on not less than 30 days' notice, revise this clause by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when replaced by attachment to this Agreement).

## Exhibit A: Processing, Personal Data and Data Subjects

1. Processing by the Data Processor [name]
  - 1.1 Scope and subject matter
  - 1.2 Nature of processing
  - 1.3 Purpose of processing
  - 1.4 Duration of the processing
2. Types of personal data
3. Categories of Data Subject

## SUPPLIER CODE OF CONDUCT

Hallmark's sourcing and procurement standards are consistent with our corporate beliefs and values. We view suppliers, licensees, and their subcontractors as an integral element of our business success and strive to select suppliers who adopt strong ethical standards, conduct their respective operations in a manner that respects the rights of the individuals they employ, maintain strict adherence to all appropriate legislation and tax obligations, and demonstrate careful stewardship of the environment.

Hallmark Cards takes its ethical performance very seriously. In addition to the company's own code of conduct (which we ask all our suppliers to commit to) we as a supplier are required to comply with codes of conduct for many of our customers, as well as licensors.

Hallmark expects its supplier, licensees, and their subcontractors to operate their facilities and conduct employee relations in an ethical manner; and to meet the requirements stipulated by law in their respective host countries.

This includes, but is not limited to, laws and regulations relating to labour, compensation, working hours, health and safety and the environment.

### **1. EMPLOYMENT IS FREELY CHOSEN**

All employment must be strictly voluntary. Employers will never use involuntary or forced labor whether in the form of prison labor, indentured labor, bonded labor, or otherwise. Employers must not permit human trafficking or slave labor in the supply of materials, products or services.

Employers, and the recruitment and agency labor firms they utilise, will never hold male or female employees' identity or travel documents (such as passports, identification cards, birth certificates, work VISAs etc.), require employees to make deposits, surrender land titles or their valuables, or charge them fees related to employment (for example, interview fees, testing and application fees, travel fees, documentation fees, etc.). Any cost related to workers' employment must be absorbed by the employer.

Where required by law, labour contracts in the employee's native language will be provided and will clearly define the conditions of employment. If employees cannot read, terms and conditions must be explained to them.

Migrant men and women shall have exactly the same entitlements as local employees.

Women and men shall not be required to live in dormitories or supplier-owned housing.

The movements of men and women, when not working, will not be restricted. Dormitories will not have curfews or unreasonable security policies.

### **2. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED**

Factories must respect the right of women and men to freely associate and should not interfere with the legal exercise of the right of free association.

Suppliers shall allow forms of independent workers' representation, and these representatives shall be protected from retaliation.

Men and women should have access to an anonymous, unbiased grievance mechanism to raise concerns. They should be allowed to express grievances without limitation or retaliation.

### **3. WORKING CONDITIONS ARE SAFE AND HYGIENIC**

Employers must provide a safe and healthy work environment including proper lighting, temperature, ventilation, and access to potable water. The workplace shall be free of unreasonable hazards, including those that endanger men's and women's reproductive health and women who are pregnant or lactating.

Women and men should have access to adequate medical assistance and facilities.

Suppliers shall provide regular and recorded health and safety training to workers and management, including training related to exposures that could endanger men's and women's reproductive health and pregnancy or lactation.

Where personal protective equipment is required for work, it must be in good condition and provided without charge to women and men.

Fire prevention equipment must be accessible (in factory and dormitory facilities), and employers are responsible for conducting fire prevention and evacuation training and simulations.

Dormitory housing should provide clean and adequate space for men and women with sanitary facilities and water supply.

Restrooms must ensure privacy, be accessible to all, and be adequate for the population. Restrooms should be clean and available for all women and men.

#### **4. CHILD LABOUR AND YOUNG WORKERS**

##### *Child labour*

Child labour is strictly prohibited. We prefer that no worker be under the age of 18

Employers are prohibited from hiring individuals below the age for completing compulsory education or the legal minimum working age as defined by local or regional regulation.

##### *Young Workers*

Young workers are defined as all individuals who meet the requirements of this code to be employed and who are under the age of 18. Young workers are a particularly vulnerable population who Hallmark believes require extra protections.

Young workers will not be permitted to work night hours. Night hours are defined as 10 pm to 7 am (or an alternative period of not less than seven consecutive hours as defined by the competent authority).

Young persons should not engage in work that could compromise their health, safety, moral integrity, or development.

#### **5. LIVING WAGES ARE PAID**

Suppliers will not pay less than the minimum wage (including trainees) in accordance with local labor laws or the prevailing market rate, whichever is higher. Men and women will be fairly compensated to a similar standard for overtime work.

Women and men shall receive equal compensation for work of equal value.

Room and board, transportation, and other benefits will not be deducted from cash compensation in meeting or exceeding local salary standards. Other benefits, including sick leave, and maternity leave, must meet or exceed local laws and standards.

Wages must be paid in accordance with local laws, and a detailed time slip must be provided to the male and female workers in a language they understand.

#### **6. WORKING HOURS ARE NOT EXCESSIVE**

All overtime, as defined by local regulations or practice, will be strictly voluntary and will be duly compensated.

Men and women will not be punished for refusing overtime.

As a normal practice, the maximum number of working hours, including overtime, must not exceed 60 hours per week. Local government regulations will be followed if they require fewer than 60 hours per week.

As a normal practice, men and women should receive a minimum of one day off in seven days.

## **7. NO DISCRIMINATION IS PRACTISED**

Employers must not discriminate in hiring and employment practices on grounds of age, race, color, national origin, sex, religion, pregnancy, physical or mental disability, genetics, sexual orientation, gender identity, veteran status, marital status, or any other legally-protected status.

Women and men shall be given equal opportunity in all aspects of training and personal and professional development.

Employers shall not require pregnancy tests nor discriminate in hiring based on pregnancy. Employers shall not dismiss employees due to pregnancy or child birth.

## **8. REGULAR EMPLOYMENT IS PROVIDED**

To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

## **9. HARASSMENT AND ABUSE**

Corporal punishment and physical or mental coercion are prohibited.

Every man and woman shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

No woman or man shall be subjected to sexual harassment, including unwelcome sexual advances, unwanted touching, lewd or suggestive remarks, or requests for sexual favors. Men and women shall be free from exposure to indecent pictures, posters, drawings or videos.

Forced contraception is not allowed.

## **10. PROTECTION OF THE ENVIRONMENT**

Manufacturers will comply with all applicable environmental laws and regulations.

Waste is minimised, and items recycled whenever this is practicable. Effective controls of waste in respect of ground, air and water pollution are adopted. In the case of hazardous materials, emergency response plans are in place.

Paper & packaging - Undue and unnecessary use of materials is avoided, and recycled materials used whenever appropriate.

Conservation – processes and activities are monitored and modified as necessary to ensure that conservation of scarce resources, including water, flora and fauna and productive land in certain situations.

Energy use - All production and delivery processes, including the use of heating, ventilation, lighting and IT systems and transportation are based on the need to maximise efficient energy use and to minimise harmful emissions. All waste materials and production by-products should be disposed of properly and in an environmentally responsible manner.

