

EFFECTIVE DATE: JANUARY 29, 2021

ACADEMY, LTD. D/B/A ACADEMY SPORTS + OUTDOORS
TERMS AND CONDITIONS OF PURCHASE

These Terms and Conditions of Purchase, including the Appendices and other documents referred to herein, as set forth on Academy's Vendor Information Exchange website located at <http://vendor.academy.com/>, applicable on the date of each Purchase Order (collectively, these "**Terms**"), shall govern the Purchase Orders submitted by Academy, Ltd. d/b/a Academy Sports + Outdoors, with its principal offices at 1800 North Mason Road, Katy, Texas 77449 USA, as the buyer ("**Academy**") or by any of its Affiliates (as defined below) (with each such entity that is a party to the Purchase Order being individually responsible for payment of its own invoices and performance of its obligations thereunder) to the vendor or supplier named in the Purchase Order ("**Vendor**") (each, a "**Party**" and collectively, the "**Parties**"). Academy and Vendor hereby acknowledge and agree that each Purchase Order is deemed to incorporate and to be governed by these Terms, as updated by Academy in accordance with **Section 2**, and the terms and conditions set forth in each Purchase Order (collectively, the "**Agreement**"). By accepting a Purchase Order issued by Academy and dated on or after the Effective Date, Vendor agrees that: (a) it has read, understands and agrees to be bound by these Terms and the terms of the Purchase Order and (b) the goods, products and merchandise identified in the Purchase Order ("**Merchandise**") and any advertising, marketing, or promotional goods, events or activities performed by Vendor are subject to the Agreement.

* * *

1. DEFINITIONS.

The capitalized terms used herein and not defined in context within the Agreement shall have the meanings assigned to them below:

- 1.1** "**Affiliate**" shall mean, as to any entity, any other entity that, directly or indirectly, Controls, is Controlled by or is under common Control with such entity, where "**Control**" (and its derivatives) shall mean, with respect to any entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities (or other ownership interest), by contract or otherwise.
- 1.2** "**Background Intellectual Property**" means, with respect to any applicable Party, any and all of the Intellectual Property Rights possessed or owned by such Party at the time the Parties entered into discussions regarding the desirability of entering into this Agreement.
- 1.3** "**Change Order**" means any mutually agreed written change order which changes or modifies an effective Purchase Order.
- 1.4** "**Defective Merchandise**" means any Merchandise that fails to conform to any of the warranties set forth in **Section 6.4** of this Agreement.
- 1.5** "**Delivery Window**" means the window of time specified in the Purchase Order between the Not Before Date and the Not After Date during which Merchandise is required to be delivered to Academy at the specified location.
- 1.6** "**Destination**" means the location which Academy designates to vendor to deliver Merchandise.
- 1.7** "**Documentation**" means the documentation in the English and Spanish languages describing the technical and functional Specifications for the Merchandise, if any, and any supporting documentation delivered with the Merchandise, including, without limitation, installation manuals, maintenance manuals, training materials, and other technical and customary supporting documentation as specified or revised from time to time by Vendor or Academy.

- 1.8 “**E-Commerce Business**” means sales of Merchandise by Academy or its agents to its retail customers via the Internet, Academy’s websites, mobile applications, or any other network-based electronic system. The E-Commerce Business also includes any related business and marketing activities supporting such sales.
- 1.9 “**Fixture**” means any piece of equipment or furniture provided to Academy by the Vendor used to display Merchandise.
- 1.10 “**Foreground Intellectual Property**” means, with respect to any Academy Branded Merchandise covered by this Agreement, any and all of the Intellectual Property Rights in such Academy Branded Merchandise or Merchandise Material developed by Academy, or by Academy and Vendor jointly, or by Vendor, or any employee, consultant, subcontractor, agent, factory or affiliate of Vendor (whether individually or jointly with others) at the request of Academy (in each case, regardless of when or where prepared or whose equipment or other resources is used in preparing the same).
- 1.11 “**Freight Collect**” means Academy pays freight charges and owns goods in transit.
- 1.12 “**Freight Prepaid**” means Vendor pays freight charges and owns goods in transit.
- 1.13 “**Freight Prepaid & Add**” means Vendor pays freight charges and owns goods in transit, and Vendor seeks reimbursement from Academy for the freight charges via a line item on the invoice.
- 1.14 “**Governmental Authority**” means any foreign, domestic, federal, territorial, state or local governmental authority, quasi-governmental authority, instrumentality, court, voluntary standard or self-regulatory organization, arbitral tribunal, commission, tribunal or organization or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing.
- 1.15 “**Hazardous Condition**” means any condition which (i) under reasonably foreseeable circumstances, in the course of operation, use or handling of Merchandise, could result in damage to property or personal injury, or (ii) violates applicable health, safety, or hazardous material Legal Requirement.
- 1.16 “**Intellectual Property Rights**” means all Work Product and any and all rights in and to patents, copyrights, trade secrets, trademarks (and related goodwill) and other intellectual property or proprietary rights associated with the Work Product arising in any jurisdiction throughout the world, whether or not patentable or copyrightable, and all related rights of priority under international conventions with respect thereto, including all pending and future applications and registrations therefor, and continuations, divisions, continuations-in-part, reissues, extensions and renewals thereof.
- 1.17 “**Legal Requirements**” means all applicable laws, ordinances, regulations, rulings, orders, decrees, standards, requirements, requests, policies, instructions or directions of any Governmental Authority.
- 1.18 “**Materials**” means any components and/or materials comprising or contained in Merchandise.
- 1.19 “**Merchandise Material**” means any and all Merchandise information, Merchandise warranty information, logos, images, and point of sale materials of Vendor, all related packaging, labeling and other Documentation and all related advertisements and promotional materials furnished or authorized by Vendor or on behalf of Vendor or Vendor’s agents to Academy or a third party acting on behalf of Academy.
- 1.20 “**Merchandise Warranty Period**” means the period designated on the Purchase Order during which the warranty of the Merchandise provided in **Section 6.1** of this Agreement shall be in effect, or if no such period is designated on the Purchase Order, a period of twelve (12) months,

in each case, with such period being measured from the date of Academy's receipt of the Merchandise.

- 1.21 **"National Brand Merchandise"** means any Merchandise which is not Academy Branded Merchandise.
- 1.22 **"Not After Date"** (or the **"Cancel Date"**) means the latest date specified in the Purchase Order on which a vendor may transfer ownership of the Merchandise to Academy. For Freight Collect orders this is the last day when Academy will pick up the Merchandise. For Freight Prepaid and Freight Prepaid & Add orders this is the last day the Merchandise can be delivered to Academy.
- 1.23 **"Not Before Date"** means the earliest date specified in the Purchase Order on which a vendor may transfer ownership of the Merchandise to Academy. For Freight Collect orders this is the first day when Academy will pick up the Merchandise. For Freight Prepaid and Freight Prepaid & Add orders this is the first day the Merchandise can be delivered to Academy.
- 1.24 **"Origin"** means the location at which Academy designates to vendor to have product available for pick up.
- 1.25 **"Purchase Order"** means the order document submitted by Academy and accepted by Vendor which governs the purchase of Merchandise.
- 1.26 **"Repair or Replacement Period"** means, with respect to each unit of Merchandise, the maximum period of time specified in the Purchase Order for repair or replacement of Merchandise by Vendor, or if no such period is specified in the Purchase Order or is otherwise provided by Academy in writing, a period of ten (10) days, with such period being measured from the receipt by Vendor of a Notice of Defect, as that term is defined in **Section 6.1** of this Agreement.
- 1.27 **"Specifications"** means any documentation or material furnished by one Party to the other Party describing or classifying the Merchandise, its functionality or its handling.
- 1.28 **"Work Product"** shall mean all ideas, methods, concepts, plans, research, reports, documentation, materials, work in process, technology, inventions, discoveries, creations, writings, works of authorship, graphics, drawings, sketches, product designs, styles, models, specifications, and work product of any nature whatsoever, developed, created, prepared, produced, authored, edited, amended, conceived or reduced to practice in whole or in part by a Party, including all printed, physical and electronic copies, all improvements, rights and claims related to the foregoing, and other tangible embodiments thereof.

2. **TERM.**

These Terms are effective as of the Effective Date set forth above and shall continue in full force and effect until they are superseded and replaced by amended or restated Terms posted on Academy's Vendor Information Exchange website located at <http://vendor.academy.com> (the **"Vendor Website"**). The Parties acknowledge and agree that these Terms may be modified by Academy from time to time by posting amended or restated Terms on the Vendor Website and that such amended or restated terms shall take effect on the Effective Date specified. The posting of amended or restated Terms on the Vendor Website shall constitute written notice to Vendor of the amended or restated Terms and such Terms shall be deemed effective on the date such amended or restated Terms are posted and shall govern any Purchase Orders submitted by Academy or its Affiliates on or after the Effective Date of such Terms.

3. **PURCHASE ORDER PROTOCOLS.**

- 3.1 **Priority.** In the event of any inconsistency between: (a) the terms and conditions set forth in these Terms and the terms and conditions set forth in these Appendices or other documents referred to herein, the terms and conditions in these Terms shall control; and (b) the terms or conditions set forth in a Purchase Order and these Terms, the terms and conditions of the Purchase Order shall control.

3.2 Purchase Order Procedure.

3.2.1 Issuance, Acceptance and Rejection. Academy may issue Purchase Orders to Vendor by electronic data interchange, or other mutually agreeable method. If a Purchase Order is issued by electronic interchange, the EDI provisions in the applicable Academy SMART Guide, the current version of which is located at <https://vendor.academy.com/content/vendor-compliance>, shall apply to the transaction represented by the Purchase Order and shall become part of this Agreement. Upon receipt by Vendor of a properly delivered Purchase Order, Vendor shall promptly acknowledge or reject the Purchase Order via an EDI 855 Purchase Order Acknowledgement or other mutually agreeable method and deliver the ordered Merchandise in accordance with the terms of the Purchase Order. If Vendor acknowledges the PO without any changes, it will be deemed accepted. If Vendor acknowledges the PO with proposed changes, Academy may reject the proposed changes or issue an EDI 860 PO Change. If Academy does not receive an EDI 855 Purchase Order Acknowledgement within twenty-four (24) hours of the issuance of a domestic replenishment Purchase Order and five (5) days of the issuance of all other Purchase Orders, or if full or partial shipment is made, then the Purchase Order shall be deemed accepted by Vendor as is and without modification.

3.2.2 Purchase Order Information. To the extent necessary to permit Vendor to fulfill the terms of a Purchase Order, Purchase Orders issued by Academy shall, as applicable, include: (i) identification of Vendor; (ii) approved factory name and address; (iii) identification of the Merchandise by reference to its ticket type, description and/or universal product code; (iv) quantity of Merchandise; (v) size(s) of Merchandise; (vi) price per unit of Merchandise; (vii) applicable discount(s); (viii) total order price; (ix) the terms of delivery; (x) the applicable period of time commencing on receipt of the Merchandise for payment of the invoices under such Purchase Order by Academy; (xi) terms of sale, as defined by the Purchase Order or by INCOTERMS 2010, (xii) Delivery Window; (xiii) Merchandise Warranty Period; (xiv) Repair or Replacement Period; and/or (xv) Academy's Purchase Order number. Please see the applicable Academy SMART Guide for further floor ready requirements, the current version of which is located at <https://vendor.academy.com/content/vendor-compliance>.

3.2.3 Change Orders After Initial Purchase Order Acknowledgement. Subject to **Sections 3.3** and **3.4**, any change or modification to an effective Purchase Order by Vendor shall be made pursuant to a written Change Order executed by an authorized representative of each Party. Any changes made by Academy will be communicated by an EDI 860 PO change.

3.3 Rescheduling and Cancellation.

3.3.1 Rescheduling. In the event that Academy notifies Vendor of its desire to reschedule a Delivery Window, Vendor will comply with Academy's request unless such request is not commercially reasonable.

3.3.2 Cancellation by Academy. Academy may, without charge, cancel any Purchase Order(s) (including all Purchase Orders related to a Merchandise program), or any portion thereof, without incurring any liability, by giving notice to Vendor on or before the Not After Date. In addition and without regard to the Not After Date, Academy may cancel a Purchase Order, or any portion thereof, at any time without charge, if, or to the extent that (i) Vendor has not ordered Materials or commenced manufacturing the Merchandise in reliance on such Purchase Order, or (ii) the Merchandise is being purchased from a distributor or from existing inventory.

3.4 Alteration or Modification of Specifications. In the event that Academy notifies Vendor in writing, prior to the expiration of the Not After Date, of any alteration or modification of the

Specifications provided by Academy (whether such Specifications relate to a single Purchase Order or relating to a particular item of Merchandise), Vendor shall be deemed to have accepted and adopted the proposed alteration or modification without (i) the requirement for a Change Order, (ii) any change in costs to Academy or in the price of the Merchandise and (iii) the requirement for an extension of the Delivery Window, unless Vendor, within twenty (20) days of its receipt of the notice from Academy, notifies Academy in writing that any of the foregoing items (i) through (iii) will be required. Without limiting Academy's right to cancel a Purchase Order set forth in **Section 3.3.2**, in the event of its receipt of such notice from Vendor, Academy shall have the option, within twenty (20) days thereafter and without regard to the Not After Date, to cancel its Purchase Order for all or a portion of the Merchandise without charge.

4. DELIVERY AND ACCEPTANCE OF MERCHANDISE.

4.1 Packaging. At no additional charge, Vendor shall package, label, handle, load and secure the Merchandise properly, in accordance with Specifications and in a manner that will prevent damage to the Merchandise during shipment, handling, and storage under reasonably foreseeable conditions. Vendor will comply with all Legal Requirements applicable to the packaging, labeling, storage, shipment, stocking, sale and resale of the Merchandise and shall conform to the requirements set forth herein. Vendor shall coordinate with forwarders and transporters regarding the packing, labeling, loading and handling of the Merchandise, and Vendor shall ensure that the Merchandise arrives in a manner that satisfies all Legal Requirements and the customs authorities of the United States.

4.2 Shipping, Title and Risk of Loss.

4.2.1 Shipping. Unless instructed otherwise by Academy, "FOB Point" shall mean Origin if the Merchandise is shipped Freight Collect or Destination if the Merchandise is shipped Freight Prepaid or Freight Prepaid & Add. The terms of delivery specified in the Purchase Order shall be defined pursuant to INCOTERMS 2010. Vendor shall (i) contract the mode of transportation of the Merchandise specified by Academy, (ii) ship the Merchandise in accordance with the directions specified in the Purchase Order and any special shipping instructions issued by Academy, (iii) ensure that each shipment of Merchandise is accompanied by complete and accurate documentation, including, without limitation, shipping documents, import and customs documentation and similar documentation, in each case sufficient to conform to all applicable Legal Requirements for exporting the Merchandise from the country of origin and/or exportation and thereafter entering it into the commerce of the United States of America and clearing through U.S. Customs, or as otherwise advised by Academy in writing, (iv) ensure that all shipping documents bear Academy's Purchase Order number, (v) enclose a bill of lading and/or packing list with each shipment and, when more than one package is shipped, identify the package containing the bill of lading and/or packing list, placing the carton containing the bill of lading and/or packing list adjacent to the door of the container, and (vi) mark Academy's Purchase Order number on all packages. Please refer to **Appendix 5** for additional shipping requirements.

4.2.2 Title and Risk of Loss. Title to Merchandise and the risk of loss thereof will pass to Academy only upon delivery of the Merchandise to the possession of Academy in accordance with the terms of the applicable Purchase Order and this Agreement where unless specified otherwise Freight Collect will indicate FOB Origin while Freight Prepaid and Freight Prepaid & Add will indicate FOB Destination, in accordance with INCOTERMS 2010, if applicable.

4.3 Invoicing. Within ten (10) days following receipt and acceptance by Academy of Merchandise provided pursuant to a Purchase Order, or as otherwise required by Academy in writing, Vendor shall deliver an invoice to Academy for the purchase price set forth in the Purchase Order.

Domestic invoices shall be delivered via an EDI 810 transaction. Unless instructed otherwise by Academy, for each domestic invoice Vendor shall specify the Purchase Order number, Vendor's name, address to which payment should be sent, item or SKU numbers for Merchandise, and a detailed description of each type of Merchandise (including size, quantity, and unit price, as applicable). Unless instructed otherwise by Academy, for each import invoice Vendor shall (i) specify the Purchase Order number, Vendor's name, address to which payment should be sent, item or SKU numbers for Merchandise, a detailed description of each type of Merchandise (including size, quantity, and unit price, as applicable) and an attached bill of lading or original signed forwarders cargo receipt, as appropriate, with the carrier name and shipment date, (ii) render one separate, manually-signed, invoice plus two copies for each shipment or Purchase Order, and (iii) invoice Academy by mailing or otherwise transmitting invoices to the billing address in the Purchase Order. Vendor's records of shipments to Academy, including invoices and other relevant documents of each transaction, will be maintained by Vendor for a period of at least five (5) years and may be audited by Academy upon reasonable advance notice to Vendor and at reasonable times. All invoices submitted to Academy shall be denominated in U.S. dollars. Should a letter of credit be issued, it shall be governed by the terms of ICC Publication 500.

4.4 Failure to Meet Not Before Date or Not After Date. Vendor shall immediately notify Academy upon becoming aware that Vendor is in jeopardy of not delivering or shipping all or any portion of the Merchandise on or before the Not Before Date or the Delivery Window, as applicable. If Vendor fails to ship or to deliver, as applicable, all or any portion of Merchandise on or before the Not Before Date or the Delivery Window, as applicable:

- (a) Vendor shall use commercially reasonable efforts to ship such Merchandise as soon as possible and to ensure that other shipments are not delayed, and if other shipments are expected to be delayed, Vendor shall provide Academy with immediate notice identifying those shipments along with a written plan for minimizing the expected delays and resuming timely shipments;
- (b) Academy may, in its sole discretion, (i) cancel the Purchase Order, in whole or in part, (ii) purchase cover Merchandise at Vendor's sole cost, (iii) negotiate a discount from any price to be paid by Academy, and/or (iv) deduct a charge-back. Any adjustment pursuant to (iii) or (iv) above shall be calculated and applied in addition to discounts applicable under the original Purchase Order, and all remedies stated above are without limitation of any other right available to Academy at law or in equity; and
- (c) If Academy does not cancel the Purchase Order in whole, then upon the written request of Academy, Vendor will ship the Merchandise, at Vendor's expense, to the location designated by Academy via air carrier if necessary for next-day delivery as soon as the Merchandise is available for shipment.

4.5 Fulfillment of Purchase Orders. Vendor's fulfillment and performance of each Purchase Order must be strictly in accordance with the terms, dates and conditions set forth in these Terms and the Purchase Order, and if not in accordance with said requirements, then Academy may return the Merchandise, in whole or in part, at Vendor's expense and exercise any other rights available to Academy at law or in equity. Vendor will manufacture and supply Merchandise in accordance with the Specifications for the Merchandise and shall ensure that the Merchandise satisfies the applicable Specifications when delivered.

4.6 Inspection and Acceptance of Merchandise. Academy shall have the right but not the obligation to inspect, test and accept or reject all Merchandise provided pursuant to this Agreement. Academy may reject all or any portion of a shipment of Merchandise at any time if such Merchandise does not comply with any provision of the Purchase Order, a Legal Requirement, or a Vendor Warranty, contains a Hazardous Condition, or if Academy determines that the Merchandise contains a non-conformity or is defective in any manner (including failure to conform to the Vendor warranties

set forth in **Section 6.1**) (each, a “**Defect**”). Resale, repackaging, or actions taken to affect resale of the Merchandise shall not bar Academy’s right to reject Merchandise. Furthermore, Academy’s return of defective Merchandise shall not relieve Vendor from the obligations contained in the Purchase Order. If Academy finds that any Merchandise contains a Defect, then Academy may, in addition to any other rights and remedies available at law or in equity, take any of the following actions: (i) accept such Merchandise in the nonconforming condition, reduce the amounts payable for such Merchandise by an amount that shall equitably reflect the reduced value of such Merchandise, deduct a chargeback and correct the nonconforming Merchandise (directly or by use of a third party) and charge Vendor for the costs incurred to make such correction (“**Chargeback**”); please refer to **Appendix 9** for additional Chargeback information and Chargeback Schedule requirements; (ii) reject and hold the Merchandise at Vendor’s expense, and require that Vendor deliver conforming replacement Merchandise at Vendor’s sole cost; (iii) reject the Merchandise, return the Merchandise to Vendor at Vendor’s expense, and require that Vendor repair the Merchandise so that it is conforming at Vendor’s sole cost; or (iv) reject the Merchandise and terminate the applicable Purchase Order, in whole or in part, return the Merchandise to Vendor at Vendor’s expense and refuse payment of the applicable invoice (or require reimbursement by Vendor of all amounts paid by Academy in connection with the purchase of the returned Merchandise if and to the extent that any payment has already been made). If Academy elects the remedy described in the foregoing (ii) or (iii) and Vendor fails to deliver conforming replacement Merchandise or repair the Merchandise within a reasonable time, then Academy may purchase cover Merchandise at Vendor’s sole cost. The costs and risk of loss or damage associated with shipping rejected Merchandise to Vendor or delivering replacement or repaired Merchandise to Academy will be borne by Vendor. Refunds or credits issued for the purchase price of any rejected Merchandise will be issued within ten (10) days after Vendor’s receipt of such Merchandise. The acceptance, rejection and/or exercise (or failure to exercise) by Academy of its rights and remedies set forth in this **Section 4.6** will not affect any of Vendor’s warranty, indemnification, compliance or other obligations under this Agreement or the time periods applicable to them. Any delay or failure in discovering a Defect in the Merchandise shipped under a Purchase Order shall not preclude Academy from later exercising its rights under this Section; *provided, that* Academy gives prompt notice after such Defect is reasonably discovered by Academy. Notwithstanding anything in this Agreement, Academy expressly retains its right to pursue a claim or charge-back with Vendor for shortage, damage, lack of timely shipment, other defect of freight, any Defect in the Merchandise or any failure by Vendor to comply with these Terms. In the event of a dispute as to whether Merchandise was returned by Academy, the production of a bill of lading or comparable title document by Academy with respect to such Merchandise will constitute prima facie evidence that the Merchandise was returned by Academy, and Vendor shall then have the burden to prove by clear and convincing evidence that such Merchandise was not returned by Academy.

- 4.7 Drop Ship Vendors.** If Vendor operates as a “drop ship” vendor, then the terms and conditions set forth in **Appendix 8 (Drop Ship Vendors)** shall apply in addition to these Terms.
- 4.8 No E-Commerce Shipments Outside of the United States.** With respect to the E-Commerce Business, unless otherwise agreed upon in writing by the Parties, Vendor shall not make any shipment to locations outside of the United States and its territories, APO/FPO addresses.

5. PRICE AND TERMS.

- 5.1 Price.** The Merchandise shall be sold at the prices specified in the Purchase Order. The prices in the Purchase Order are inclusive of all charges, and no additional charges of any type including shipping, packaging, labeling, testing, inspection, custom duties, taxes, tariffs, storage, insurance, boxing, and crating will be added without prior notice to and written consent from Academy. Academy shall not be responsible for interest, fees or other charges, including but not limited to

late payment charges. Vendor may not increase a price specified on a Purchase Order without prior written approval from Academy. An approved price increase shall become effective ninety (90) days after Vendor's receipt of such approval, or as may be otherwise approved by Academy in writing.

- 5.2 Most Favored Purchaser.** Vendor agrees that Academy will be afforded prices, warranties and benefits that are no less favorable than the best terms offered to Vendor's other retail customers, including brick and mortar, in-home sales, and online retailers. If, prior to shipment, there is any reduction in Vendor's best price for Merchandise ordered pursuant to a Purchase Order hereunder, then the price specified in the Purchase Order will be reduced to the Vendor's best price at the time of shipment of the Merchandise.
- 5.3 Terms of Payment.** Following receipt of proper required documentation from Vendor, Academy will pay the undisputed portion of the purchase price stated in each invoice within the period of time for payment specified in the Purchase Order, or if no period of time for payment is specified in the Purchase Order, within ninety (90) days for domestic vendors and forty-five (45) days for import vendors, or such other time period approved in writing by Academy, in each case, with such period commencing on receipt and acceptance of the Merchandise associated with such invoice by Academy. Discount terms are computed from receipt of Merchandise. Unless specified in a Purchase Order, the method of payment shall be determined by Academy and may include the following: cash payment, wire transfer, or letter of credit in accordance with **Section 5.4**. Notwithstanding the foregoing, Academy shall not be obligated to pay an invoice delivered more than ninety (90) days after the date that the invoice is required to be delivered to Academy. Please refer to **Appendix 6** for additional payment instructions.
- 5.4 Letters of Credit.** If approved by Academy in writing, payment may be made pursuant to an irrevocable, documentary letter of credit for the full amount of the invoice, opened by Academy at its expense with an advising bank not later than forty-five (45) days prior to the Not Before Date. The letter of credit (i) will be governed by the terms of ICC Publication 500, (ii) may be drawn by presentation of a time draft or sight draft on an advising U.S. bank selected by Academy, and (iii) will have an expiration date not earlier than twenty (20) calendar days from the Not Before Date.
- 5.5 Taxes.** Unless Academy timely provides Vendor with a valid and applicable exemption certificate, Academy agrees to pay all sales, use, excise, and similar taxes levied or based upon its use or purchase of the Merchandise (excluding taxes on the Materials) and assessed by a local, state or federal taxing authority within the United States. Any taxes assessed to Academy will be separately stated on the invoice. If Vendor fails to identify or charge any such taxes and the taxing authorities determine that such taxes are due, then Vendor shall be responsible for and shall pay such taxes to the appropriate taxing authority. In addition, Vendor shall be responsible for and shall pay all interests, levies and penalties related to any failure or delay by Vendor in paying such taxes. Vendor will be responsible for the payment of all non-United States taxes, charges or levies, including any value-added tax. Customs duties assessed by United States authorities will be paid in accordance with the Purchase Order and are not to be interpreted as a "tax" for purposes of this **Section 5.5**. Notwithstanding the foregoing, each Party shall be responsible for: (i) any real or personal property taxes on property it owns or leases; (ii) employment taxes of its own employees; and (iii) taxes based on its net income.
- 5.6 Right of Set-off.** Academy shall have the right to set off and reduce the payment of any amount due under this Agreement and any Purchase Orders by the amount of (i) any claim that Academy may have arising from a transaction under this Agreement, (ii) any claims that Academy may have arising from other transactions with Vendor, and (iii) any claim by a third party against Academy associated with the transaction under this Agreement or other transactions with Vendor (including any claims arising out of or related to (a) the bankruptcy of Vendor, (b) the failure by Vendor to

pay any supplier, subcontractor, affiliate or third party and (c) any claims that are subject to the indemnification obligations of Vendor under this Agreement.

6. WARRANTIES.

6.1 Vendor Warranty. Vendor represents, warrants and covenants to Academy as follows:

- (a) The Merchandise and the design, manufacture, labeling and packaging (including all disclosures, warnings and disclaimers) of the Merchandise (including, without limitation the packaging, labeling, Fixtures, and Materials) complies with all Legal Requirements applicable to: (i) the Merchandise; (ii) the manufacturing, distribution, sale, labeling, shipping, storage, and disposal of the Merchandise; and (iii) the marketing and sale of the Merchandise by Academy and the use of the Merchandise by customers of Academy. Vendor's use of any artwork, designs, or other materials provided by Academy or compliance with any requirements, specifications, or instructions provided by Academy shall in no way limit, release, or waive Vendor's obligation to fully comply, and deliver all Merchandise in accordance, with all Legal Requirements.
- (b) Vendor shall comply with and perform the obligations hereunder in a manner that complies with all applicable Legal Requirements, including, without limitation, the following: (i) all employment related Legal Requirements in the U.S. (including all Legal Requirements promulgated under the Fair Labor Standards Act regarding child labor, the maintenance of diversity and equal opportunity employment, regardless of whether the obligations hereunder are performed from a location in the U.S.); (ii) all Legal Requirements in the U.S. regarding the health and safety of workers and work environments, regardless of whether the obligations hereunder are performed from a location in the U.S.; (iii) all employment Legal Requirements in the jurisdiction from which Vendor performs the services hereunder and from which Vendor provides the Merchandise; and (iv) the Foreign Corrupt Practices Act.
- (c) The Merchandise was not produced using any child, slave, prison or forced labor or any factory involved with human trafficking.
- (d) With respect to blanket orders set forth in the Purchase Order, Vendor shall furnish Academy's requirements for the Merchandise covered by the Purchase Order according to the delivery schedules set forth in the Purchase Order.
- (e) The delivered Merchandise will be of good quality, material, and workmanship, merchantable, fit for its intended purpose, and free from any and all Defects.
- (f) No prior license or other agreement to which Vendor is a party or is bound is violated by, or is inconsistent or conflicts with, Academy's ownership of the Merchandise or the rights of Academy under this Agreement.
- (g) Vendor is either the owner of the Merchandise and Materials or is otherwise in possession of sufficient licensed rights to any of the proprietary information and intellectual property owned by third parties in and to the Merchandise and Materials to permit Vendor to sell and furnish the Merchandise and Materials to Academy pursuant to the terms of this Agreement and Academy shall receive the Merchandise and all Materials from Vendor without any restriction whatsoever on the use by Academy or its customers of the Merchandise and Materials.
- (h) Title to the Merchandise shipped or sold to Academy will pass to Academy free and clear of all liens, charges, encumbrances, restrictions, or other third party rights or restrictions.
- (i) Merchandise will be (i) manufactured from new and unused Materials, (ii) produced with Materials and components that are identical to the Materials and components tested and

approved by Academy, and (iii) identical to the Samples provided to Academy in accordance with **Section 8.1**.

- (j) The Merchandise will be free of Defects in design, processing, Materials and workmanship and will strictly conform to the Specifications and any accepted Merchandise Samples. The warranty provided in this **Section 6.1(j)** shall not apply to a Defect if one of the following conditions was the sole cause of the Defect:
 - (i) The Defect occurred after the applicable Merchandise Warranty Period;
 - (ii) The Merchandise was materially altered by Academy or Academy's customer without Vendor's consent; or
 - (iii) The mishandling, improper servicing, or improper operation (if and as such handling, servicing, and operation are described in the documentation for the applicable products) of the Merchandise by Academy or Academy's customer.
- (k) The Merchandise and Materials and/or any of their component parts, and/or raw materials, have not been acquired from, produced in, assembled in, manufactured in, or exported from Cuba, Iran, North Korea, China (Xinjiang province/region), Syria, the Crimea region of the Ukraine, Myanmar, Nicaragua, and/or any country or area from which imports are subject to sanctions by the Office of Foreign Assets Control of the United States Treasury Department and are not otherwise subject to import restrictions established by United States authorities.
- (l) The Merchandise and Merchandise Materials: (i) properly indicate the correct country of origin (illegal trans-shipment is prohibited); (ii) are registered appropriately with all applicable Governmental Authorities in compliance with all Legal Requirements; (iii) are not adulterated or misbranded in violation of any Legal Requirements; (iv) do not infringe upon or bring into effect any personal, contractual or proprietary rights including, without limitation, patents, trademarks, trade names, copyrights, rights of privacy, rights of publicity or trade secrets, of any third party; (v) possess all performances, qualities and characteristics claimed in advertisements issued or authorized by Vendor; (vi) are not being sold to Academy at prices which violate United States anti-dumping laws or permit the imposition of countervailing duties; and (vii) comply with applicable Legal Requirements, including the following federal and state laws, rules and regulations, as may be amended from time to time: Consumer Product Safety Act; Consumer Product Safety Improvement Act; Child Safety Protection Act; Federal Hazardous Substances Act; Hazardous Substances Labeling Act; Flammable Fabrics Act; Labeling of Hazardous Arts Materials Act; Federal Insecticide, Fungicide, and Rodenticide Act; Fur Products Labeling Act; Tariff Act of 1930; Textile Fiber Products Identification Act; Wool Products Labeling Act; Care Label Requirements of the U.S. Federal Trade Commission; Lacey Act; Federal Food, Drug, and Cosmetic Act; Animal and Plant Health Inspection Service; state requirements for foods, drugs, medical devices and cosmetics; Organic Foods Production Act; the Fair Packaging and Labeling Act; the Uniform Packaging and Labeling Regulation and related state laws, rules and regulations; California Air and Resources Board ("**CARB**") and other federal, state and local laws, rules and regulations regarding chemical emissions and air quality requirements; California's Safe Drinking Water and Toxic Enforcement Act ("**Proposition 65**"); the California Transparency in Supply Chains Act of 2010; the Illinois Lead Poisoning Prevention Act; Vermont's Lead in Consumer Products Law; the Washington Children's Safe Products Act; and all other state laws, rules and regulations regarding lead or other chemical substances in consumer products.
- (m) Any weights, measures, sizes, legends, words, particulars or descriptions, if any, stamped, printed or otherwise attached to the Merchandise, labels or packaging or any

Documentation referring to the Merchandise purchased hereunder are true and correct and comply with all Legal Requirements.

- (n) All Merchandise which is consumable in nature will have at least two-thirds (2/3) of its total shelf life remaining before its “expiration,” “best by,” or “sell by” date unless another such time frame has been agreed upon in writing by the Parties.
- (o) Vendor shall perform the obligations hereunder in a manner that complies with Academy’s Vendor Code of Conduct located at <http://vendor.academy.com>.

6.2 Consumer Warranties. Vendor has provided Academy with a true and correct copy of all consumer merchandise warranties offered by or through Vendor with respect to the Merchandise and shall, on or before the Delivery Window, as applicable, provide Academy with sufficient quantities of consumer merchandise warranties to satisfy Academy’s requirements of point-of sale availability of written warranty materials. All consumer warranties of Merchandise shall be prepared by Vendor in compliance with the requirements of the United States Magnuson-Moss Warranty Act and the related rules, regulations, statements and interpretations thereof issued by the U.S. Federal Trade Commission. Vendor will furnish a copy of the written warranty with each item of Merchandise purchased hereunder. A Businessperson’s Guide to Federal Warranty Law may be found at <http://business.ftc.gov/documents/bus01-businesspersons-guide-federal-warranty-law>. In addition, the warranties of the Uniform Commercial Code of the State of Texas are specifically incorporated in this Agreement.

6.3 Survival of Warranties. Vendor’s representations and warranties set forth in this **Section 6** shall survive inspection, acceptance, payment, and delivery of the Merchandise to Academy and any resale of the Merchandise by Academy, its agents or distributors or purchase by their customers. Issuance of express warranties by Vendor to Academy or to consumers shall not be deemed to waive such other warranties as may be implied in law or fact or provided for by any applicable law or regulation.

6.4 Defective Merchandise. During the Merchandise Warranty Period, at the election of Academy and in Academy’s sole discretion, Vendor will repair or replace any Defective Merchandise within the Repair or Replacement Period, or issue a refund or a credit for the purchase price of, any Defective Merchandise. Upon discovery of Defective Merchandise during the Merchandise Warranty Period, Academy will promptly provide to Vendor a written notice (“**Notice of Defect**”) with a request for repair, replacement or a refund or credit of the purchase price of the Defective Merchandise. If Vendor fails to repair or replace the Defective Merchandise within the Repair or Replacement Period, then Academy shall continue to have the right to require repair or replacement of the Defective Merchandise or to receive a refund or credit of the full purchase price thereof, and to purchase cover Merchandise at Vendor’s expense. Repaired and replaced Merchandise delivered by Vendor will be subject to all of the terms of this Agreement as it relates to Merchandise and a new Merchandise Warranty Period will take effect with respect to the repaired or replacement Merchandise. Refunds or credits issued for the purchase price of any Defective Merchandise will be issued within ten (10) days after Vendor’s receipt of the Defective Merchandise. The Merchandise Warranty Period shall not apply to limit Vendor’s responsibility for the repair, replacement or refund of the purchase price of any Merchandise with respect to which a Defect has been demonstrated to cause or have caused a Hazardous Condition to exist with respect to any person or property.

6.5 E-Commerce Vendors. If Vendor is providing Merchandise and Materials in connection with the E-Commerce Business, then Vendor represents and warrants that: (a) Vendor has the power to authorize the sale and/or display of its products on-line and as part of the E-Commerce Business; (b) all Merchandise Materials provided to Academy for the E-Commerce Business (i) complies with all applicable Legal Requirements, (ii) is accurate and that all claims contained therein have been substantiated, and (iii) has been cleared for the uses contemplated hereunder; and (c) Vendor

has secured any and all clearances, permissions, approvals, authorizations, rights and licenses necessary for the use or display of all Merchandise Materials provided to Academy in connection with the E-Commerce Business.

7. **RECALL AND CORRECTIVE ACTION.**

7.1 Recall of Merchandise. Vendor must immediately notify Academy in the event that Vendor becomes aware of information that reasonably supports a belief that Merchandise purchased by Academy from Vendor may fail to comply with any Legal Requirement or contain a Hazardous Condition or other Defect that could cause a risk of injury to the public or any personal injury or property damage. If Academy becomes aware of information that reasonably supports a belief that the Merchandise purchased by Academy from Vendor may fail to comply with any Legal Requirement or contains a Hazardous Condition or other Defect that could cause a risk of injury to the public or any personal injury or property damage, then (i) Academy may notify Vendor and upon such notice Vendor shall take all necessary and appropriate measures to comply with applicable Legal Requirements and to remove or mitigate the risk or the possibility of damage, and (ii) Academy will have the right to notify the United States Consumer Product Safety Commission or any other appropriate Governmental Agency and to take such other action as Academy, in its sole discretion, deems necessary or appropriate to comply with applicable Legal Requirements and to remove or mitigate the risk or the possibility of damage including, without limitation, locating, identifying and notifying customers and recalling such Merchandise. In the event Vendor formulates a recall plan or is intending to enter into any agreement with any Government Authority for the recall of such Merchandise, then Vendor will first obtain Academy's written approval of such plan or agreement. Upon recall of the Merchandise for any reason, all the costs of the recall and its implementation shall be borne by Vendor and Vendor will indemnify and hold Academy harmless from and against any losses, liabilities, damages, costs and expenses (including, without limitation, any fees and expenses of attorneys or other professional advisors) incurred by Academy as a result of or in connection with any recall.

7.2 Requests for Corrective Action. In addition to the other rights and remedies, Academy may issue, from time to time and at its sole and absolute discretion, a written request for corrective action to Vendor identifying any event which in the view of Academy may constitute non-performance of Vendor's duties or obligations hereunder, including any chronic or significant problems relating to Defective Merchandise, non-conformity to Specifications, failure to implement and maintain appropriate security measures, non-compliance with the Global Sourcing Requirements and Code of Vendor Conduct, or any other material event evidencing non-performance hereunder (any one or more of which is hereafter referred to as a "**Material Event**"), which Academy considers to be within Vendor's control. Vendor will respond to each such request as follows:

- (a) Vendor will provide to Academy a written initial response to such a request within five (5) days following Vendor's receipt of the request. Such initial response will serve as Vendor's acknowledgment of its receipt of the request and will propose a target date for resolution of the Material Event identified in the request. The actual target date will be negotiated in good faith and mutually agreed by Vendor and Academy.
- (b) On or before the target date proposed by Vendor in its initial response, Vendor will provide to Academy a written report that will set out in reasonable detail the cause of the Material Event and the action proposed by Vendor to correct it.

Vendor will take any and all necessary corrective action, including action proposed in its response to the request, to remedy the Material Event as soon as practicable.

8. **VENDOR OBLIGATIONS.**

8.1 Quality Assurance. Vendor shall maintain a quality assurance program ensuring that the Merchandise meets Specifications, complies with all Legal Requirements, and satisfies the terms

and conditions of this Agreement (including the warranties herein). Academy or its designated representative will have the right, from time to time upon prior written notice to Vendor and at reasonable hours, to visit Vendor's facilities to inspect Vendor's facilities to verify Vendor's compliance with its quality assurance obligations. At the request of Academy, Vendor will, at Vendor's expense, provide a reasonable number of samples of Merchandise and the Materials and components used in the manufacture of such Merchandise ("Samples") for inspection and testing at the facilities of Academy or its designee.

- 8.2 Replacement Parts.** In the case of Merchandise requiring servicing, Vendor shall maintain replacement parts for a period of at least three (3) years from the Not Before Date or Delivery Window, as applicable, of such Merchandise in sufficient quantities to meet the reasonably anticipated needs of Academy at prices not to exceed prices in effect at the time for other purchasers of comparable quantities of similar replacement parts for sale at retail.
- 8.3 Academy Branded Merchandise.** From time to time, Academy may require the placement of its proprietary or licensed trademarks, trade names, service marks, company name, distinctive words, copyrighted or copyrightable materials, logos, pictures or designs of Academy ("Proprietary Identities") on Merchandise ("Academy Branded Merchandise"). For this purpose only, Vendor is granted a non-exclusive license to apply the Proprietary Identities as directed by Academy. Vendor shall not sell or otherwise transfer or dispose of Academy Branded Merchandise to any persons or entities (other than Academy), unless prior written authorization is obtained from Academy and the Proprietary Identities have been removed from the Academy Branded Merchandise to the satisfaction of Academy. Vendor may only use the Proprietary Identities on Academy Branded Merchandise in accordance with Academy's quality control standards. Packaging and labeling materials for Academy Branded Merchandise are generally available from Academy or its designated sources and, if available, will be delivered and billed to Vendor directly by Academy or its designee. If Vendor elects to obtain packaging or labeling materials for Academy Branded Merchandise from other sources, then Vendor must first obtain all applicable Specifications thereof from Academy and submit samples of the packaging and/or labeling to Academy for written approval prior to its use. To the extent set forth in the Purchase Order, Vendor shall not sell the Merchandise used for the Academy Branded Merchandise to any other person or entity and shall not use such Merchandise to create private label Merchandise for any other person or entity. Except for the limited authorization herein provided, Vendor shall not use any of the Proprietary Identities or any other proprietary brands of Academy, either by trademark or trade registration, from now until the end of time, and Vendor shall not register any of the Proprietary Identities in a foreign country without Academy's express written permission.
- 8.4 Documentation.** Vendor will provide Academy, at no additional charge, with reasonable Documentation for all Merchandise, prepared in the English and Spanish language. Such Documentation will be sufficient to allow, where applicable, for proper and efficient packaging, handling, assembly, installation, maintenance, use, and operation of the Merchandise. Academy shall have the right in its sole discretion to reproduce such Documentation and make it available to its customers.
- 8.5 Consumer Product Safety Act Certificate.** Vendor shall provide Academy with any certificate that is required to be issued pursuant to the Consumer Product Safety Act, as amended by the Consumer Product Safety Improvement Act, or other applicable Legal Requirement in accordance with instructions given by Academy to Vendor for this purpose.
- 8.6 Third Party Certifications and other Approvals.** Vendor shall, at its expense, obtain approvals, certifications and ratings of the Merchandise from the proper 3rd party service providers approved by the appropriate Governmental Authority or by the appropriate product or trade associations, and from the independent testing, certifying or rating institutions, all as may be approved by Academy, to the extent that such approvals, certifications and ratings are required by any Legal Requirements,

are customarily provided under generally accepted industry practices in the country of origin or the United States of America, or are otherwise requested by Academy. Any “plug-in” electrical Merchandise will be covered by a “listing” issued by Underwriters Laboratories, Inc. or an equivalent organization approved by Academy. Vendor may rely on any such approvals, certifications and ratings for a period of one (1) year from the date such approvals, certifications and ratings were granted; *provided, that* if the manufacturing process for or Legal Requirements applicable to such Merchandise changes during such one (1) year period, then Vendor may not rely on such approvals, certifications and ratings and shall obtain new approvals, certifications and ratings for such Merchandise prior to shipment of any Merchandise to Academy.

8.7 Security; Audits. As a certified member of the U.S. Customs and Trade Partnership Against Terrorism (“**C-TPAT**”), Academy is obligated to ensure that its Vendors meet the criteria for security mandated by the C-TPAT program. In order to comply with these requirements, Vendor will, at Vendor’s expense and in cooperation with Academy, implement measures to enhance the security of its exports of Merchandise and Materials to the United States, which shall include the following obligations:

- (a) Maintain written and verifiable procedures and documentation tracking all Materials and Merchandise from point of origin of the Materials and Merchandise to the delivery location of the Materials and Merchandise. From time to time, upon the written request of Academy, Vendor will send copies of its written tracking procedures and documentation to Academy’s Vendor Compliance Department.
- (b) Maintain verifiable security procedures at its manufacturing and distribution facilities, including container security, container inspection, container seals, container storage, physical access controls, employee identification system, visitor identification, deliveries, procedures for challenging and removing unauthorized persons, personnel security, pre-employment verification, background checks, personnel termination procedures, procedural security, documentation processing, manifesting procedures, shipping and receiving, cargo discrepancies, security training and threat awareness, physical security, logical security, fencing, gates, and gate houses, parking, building structure, locking devices and key controls, lighting, alarm systems and video surveillance cameras, information technology security, and employee accountability. From time to time, upon the written request of Academy, Vendor will certify as to its compliance herewith by furnishing to Academy a properly executed copy of the Factory Security Questionnaire, a sample of which is set forth in **Appendix 1**. Vendor shall comply with the Guidelines for Vendor’s Container Search and Seal Integrity Program which are summarized in **Appendix 2** and **Exhibits 1** and **2** attached thereto.
- (c) Allow Academy or its designated representative to make scheduled or unannounced visits to Vendor’s factories and other facilities from time to time to perform an audit at Vendor’s sole cost and expense of Vendor’s compliance with its security obligations set forth in **Sections 8.7(a)** and **8.7(b)** above, this Agreement and all Legal Requirements applicable to the Merchandise or the performance by Vendor of its obligations under this Agreement. Upon completion of any review by Academy, Vendor will be advised in writing of any corrective action that is required to achieve compliance with the C-TPAT program, this Agreement, and all Legal Requirements applicable to the Merchandise or the performance by Vendor of its obligations under this Agreement, and Vendor shall, at Vendors sole cost and expense, promptly take such corrective actions and any other measures required to comply with the foregoing requirements. Based on the type of corrective action required, the Parties will mutually establish a time period for implementation of the corrective measures required. If Vendor does not comply within a reasonable time period with the requirements for compliance with the C-TPAT program, this Agreement, and all Legal

Requirements applicable to the Merchandise or the performance by Vendor of its obligations under this Agreement, then Vendor's failure to comply shall be deemed a material breach of this Agreement and Academy may terminate this Agreement or any Purchase Order, in whole or in part, immediately upon written notice to Vendor. Vendor shall be responsible for all fines, penalties and interest resulting from its failure to comply with the C-TPAT program, this Agreement, and all Legal Requirements applicable to the Merchandise or the performance by Vendor of its obligations under this Agreement and shall reimburse Academy for any losses, liabilities, damages, costs and expenses incurred by Academy due to Vendor's failure to comply with the foregoing requirements and its obligations under this Section.

- (d) Seals meeting the ISO17712:2013 standards must be used when transporting Academy Merchandise to the carrier's container yard or the freight forwarders container freight station. Container seals must be kept in a safe and secure location, with a designated person responsible for maintaining and distributing the seals.
- (e) Shipments must be monitored from the factory departure time until arrival at the port or the freight forwarders container freight station, with any anomalies researched and recorded.

8.8 Global Sourcing Requirements and Code of Vendor Conduct. Vendor shall at all times meet and comply with the standards of conduct for vendors in its Global Sourcing Requirements and Code of Vendor Conduct set forth in **Appendix 3**.

8.9 Marking Requirements for Mutilated Samples. All commercial Samples shall be mutilated or marked Samples in accordance with United States Customs Regulations and as set forth in **Appendix 4**. Commercial invoices covering Samples must contain the following conspicuous statement: "SAMPLES ARE MUTILATED OR MARKED SAMPLES."

8.10 Subcontractors. Vendor shall not subcontract or otherwise delegate any of its obligations under this Agreement without the prior written consent of Academy. To the extent that Academy so consents and Merchandise sold hereunder to Academy is acquired by Vendor, in whole or in part, directly or indirectly, from third party manufacturers or subcontractors ("**Sub-vendors**"), then Vendor shall be responsible for all of its obligations under this Agreement and shall ensure that its Sub-vendors undertake any measures as may be necessary to permit performance by Vendor of its obligations hereunder, including direct access by Academy to the facilities of the Sub-vendors on the terms and conditions required hereunder. In addition, Vendor shall remain primarily responsible for performance under this Agreement and shall take any action reasonably necessary or advisable to ensure that the Sub-vendors comply with the provisions of this Agreement applicable to Vendor.

8.11 Anti-Corruption. Vendor covenants and agrees that it will comply fully with the letter and spirit of all anti-corruption and anti-bribery Legal Requirements applicable to Vendor and Vendor's agents and subcontractors (the "**Applicable Anti-Corruption Laws**"), including the U.S. Foreign Corrupt Practices Act ("**FCPA**"), the U.K. Bribery Act 2010 ("**UKBA**"), and with Academy's Foreign Corrupt Practices Act & Anti-Corruption Compliance Policy (the "**Anti-Corruption Compliance Policy**"), as in effect from time to time. Vendor further covenants and agrees to not engage in improper or corrupt business conduct, such as bribery and other activities, with the intent to improperly influence behaviors or obtain or retain any benefit or business for Academy or any of its Affiliates, or to influence any act or decision in his official capacity, to induce him to do or omit to do any act in violation of his lawful duty, and Vendor further agrees to certify, on a periodic basis, that it has not violated Applicable Anti-Corruption Laws, including the FCPA and the UKBA, and to notify Academy of any action that might constitute a violation of any Applicable Anti-Corruption Laws or the Anti-Corruption Compliance Policy, including if Vendor is making, offering or promising payments or gifts of any kind, directly or indirectly, to public officials or if

employees or Affiliates of Vendor takes any official office or position in local government. Vendor will maintain all books and records, including accounting records, relevant to Vendor's provision of the Merchandise or performance under this Agreement at its principal place of business. Vendor will include language that is substantially similar to this **Section 8.11** in any contracts with agents or subcontractors that it retains for purposes of this Agreement, to include a right for Academy, at Academy's discretion, to audit any subcontractor and that gives the right of Vendor to terminate any such subcontractor at Academy's direction for any reason whatsoever. Vendor further covenants and agrees to permit Academy to audit Vendor's expenses and invoices in connection with the provision of the Merchandise or performance of its obligations under this Agreement. Vendor shall develop and maintain compliance procedures and a training program consistent with the Anti-Corruption Compliance Policy, including anti-corruption training for all employees, agents and subcontractors, or in the alternative, it will adopt the Anti-Corruption Compliance Policy and it will participate in Academy's policy training. Vendor understands that any act or omission in violation of this **Section 8.11**, the Applicable Anti-Corruption Laws or the Anti-Corruption Compliance Policy will constitute and be deemed to be a material breach of this Agreement. If, in Academy's sole discretion, Academy, or its designated representative, determines or has a good faith belief that Vendor, or any of its Affiliates or agents or subcontractors, breached this Agreement, Academy may terminate this Agreement notwithstanding any other provision of this Agreement to the contrary. Further, Vendor shall hold harmless and indemnify Academy, its Affiliates and its and their respective owners, directors, shareholders, representatives, and employees for any losses, liabilities, costs, expenses (including attorneys' fees and court costs), penalties, fines, and sanctions related to or arising out of breach of this **Section 8.11**.

- 8.12 Academy Policies.** Vendor shall comply with the Academy policies provided to Vendor from time to time, and shall participate in any programs and initiatives required in connection with such policies, in each case, as updated or modified by Academy from time to time, including the following policies (which can also be found at <http://vendor.academy.com/>): (a) Academy's Ethics and Code of Conduct Policy; and (b) Academy's Vendor Allowance Policies.
- 8.13 Vendor Fact Sheet.** Vendor represents that the information provided to Academy in the Vendor Fact Sheet submitted by Vendor is accurate and complete and acknowledges that Academy may rely on such information in connection with the transactions hereunder. Vendor shall promptly notify Academy of any changes to the information on the Vendor Fact Sheet and submit an updated Vendor Fact Sheet.
- 8.14 Factory Fact Sheet.** Vendor represents that the information provided to Academy in the Factory Fact Sheet submitted by Vendor is accurate and complete, and that Academy may rely on such information in connection with the transactions hereunder. Vendor shall promptly notify Academy of any changes to the information on the Factory Fact Sheet and submit an updated or new Factory Fact Sheet.

9. INDEMNIFICATION, LIMITS OF LIABILITY AND INSURANCE.

- 9.1 INDEMNIFICATION.** TO THE MAXIMUM EXTENT ALLOWED BY LAW, VENDOR WILL INDEMNIFY, DEFEND, AND HOLD HARMLESS ACADEMY, ITS OWNERS, AFFILIATES, PARENTS, SUBSIDIARIES, DIRECTORS, OFFICERS, MANAGERS, MEMBERS, EMPLOYEES, AGENTS, INSURERS, AND CUSTOMERS (THE "**INDEMNITEES**"), FROM AND AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, DAMAGES, LOSSES, LIABILITIES, MERCHANDISE RECALLS, AND CIVIL PENALTIES FOR ACTIONS, LIABILITIES, DAMAGES, COSTS, AND EXPENSES, INCLUDING, WITHOUT LIMITATION, FEES OF ATTORNEYS AND OTHER PROFESSIONAL ADVISORS AND COURT COSTS (COLLECTIVELY, "**CLAIMS**") INCURRED OR TO BE INCURRED, WHICH MAY BE BROUGHT AGAINST ACADEMY

BY ANY PERSON, CORPORATION, GOVERNMENT, GOVERNMENTAL AGENCY, CLASS OR ANY OTHER ENTITY WHATSOEVER (INCLUDING CLAIMS MADE BY VENDOR'S DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS), ARISING OUT OF OR IN CONNECTION WITH ANY ALLEGATIONS REGARDING: (A) ANY PERSONAL INJURY (INCLUDING DEATH) OR ANY DAMAGE, LOSS OR DESTRUCTION OF PROPERTY RESULTING FROM OR ALLEGED TO HAVE RESULTED FROM ANY ACTS OR OMISSIONS OF VENDOR, ITS EMPLOYEES AND AGENTS, CONTRACTORS, SUB-VENDORS, AND/OR ANY OTHER PERSONS FOR WHOSE CONDUCT VENDOR MAY BE OR IS ALLEGED TO BE LEGALLY RESPONSIBLE, OR FROM THE MERCHANDISE OR THE MANUFACTURE, MARKETING, PACKAGING, LABELING, DISTRIBUTION, SALE OR USE OF THE MERCHANDISE; (B) ANY PERSONAL INJURY (INCLUDING DEATH) OR ANY DAMAGE, LOSS, OR DESTRUCTION OF PROPERTY TO THE EXTENT RESULTING FROM OR CAUSED BY DEFECTIVE MERCHANDISE, MATERIALS, FIXTURES OR A HAZARDOUS CONDITION; (C) THE FAILURE OF VENDOR TO FULLY COMPLY WITH ANY COVENANTS, WARRANTIES, GUARANTEES OR REPRESENTATIONS OF VENDOR HEREUNDER, INCLUDING, WITHOUT LIMITATION, THE FAILURE OF VENDOR OR THE MERCHANDISE TO COMPLY WITH ALL APPLICABLE LEGAL REQUIREMENTS; (D) ANY BREACH OR ALLEGED BREACH OF THE AGREEMENT; (E) THE INFRINGEMENT OF ANY PATENT, DESIGN, TRADE NAME, TRADEMARK, COPYRIGHT, TRADE SECRET, RIGHTS OF PUBLICITY OR PRIVACY, OR ANY OTHER RIGHT OR ENTITLEMENT OF A THIRD PARTY; (F) THE MERCHANDISE AND/OR MERCHANDISE MATERIALS OR VENDOR'S BACKGROUND INTELLECTUAL PROPERTY; OR (G) ANY NEGLIGENT OR GROSSLY NEGLIGENT ACTION, INACTION, OMISSION OR INTENTIONAL MISCONDUCT. THIS AGREEMENT TO INDEMNIFY, DEFEND AND HOLD THE INDEMNITEES HARMLESS APPLIES WHETHER OR NOT THE CLAIM OR LOSS WAS ALLEGED TO HAVE BEEN CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OR FAULT OF ACADEMY AND REGARDLESS OF THE MERITS OF THE CLAIM. FURTHERMORE, THIS AGREEMENT APPLIES EVEN WHEN THE VENDOR IS NOT NAMED AS A PARTY TO THE LAWSUIT.

- 9.2 DEFENSE AND SETTLEMENT.** ACADEMY SHALL, AT VENDOR'S EXPENSE, COOPERATE IN THE DEFENSE OF ANY CLAIM FOR WHICH INDEMNITY IS SOUGHT UNDER THIS SECTION. ALTHOUGH VENDOR SHALL HAVE CONTROL OF THE DEFENSE OF ANY ACTION BROUGHT ABOVE, VENDOR AGREES TO COMPLY WITH THE FOLLOWING REQUIREMENTS IN CONNECTION WITH THE CONDUCT OF THE DEFENSE OF ANY CLAIM: (i) VENDOR SHALL CHOOSE DEFENSE COUNSEL THAT IS REASONABLY SATISFACTORY TO ACADEMY; AND (ii) VENDOR SHALL USE REASONABLE EFFORTS TO KEEP ACADEMY INFORMED OF ALL MATERIAL INFORMATION PERTAINING TO A CLAIM. VENDOR SHALL NOT ENTER INTO ANY SETTLEMENT OR COMPROMISE OF THE CLAIM THAT WOULD RESULT IN INJUNCTIVE RELIEF, FINANCIAL LIABILITY OR THE ADMISSION OF FAULT OR LIABILITY BY ACADEMY WITHOUT FIRST OBTAINING ACADEMY'S PRIOR WRITTEN CONSENT. NOTWITHSTANDING THE FOREGOING, IF VENDOR FAILS TO ASSUME THE DEFENSE OF SUCH CLAIM OR, HAVING ASSUMED THE DEFENSE AND SETTLEMENT OF SUCH CLAIM, FAILS TO VIGOROUSLY DEFEND SUCH CLAIM, THEN ACADEMY MAY, WITHOUT WAIVING ITS RIGHT TO INDEMNIFICATION, ASSUME THE DEFENSE AND SETTLEMENT OF SUCH CLAIM, AND VENDOR WILL COOPERATE WITH ACADEMY IN THE DEFENSE AND SETTLEMENT OF SUCH CLAIM. IF ACADEMY REASONABLY DETERMINES THAT SEPARATE COUNSEL IS APPROPRIATE, ACADEMY WILL BE ENTITLED TO RETAIN SEPARATE COUNSEL AT VENDOR'S EXPENSE. THE INDEMNIFICATION, RELEASE, AND ASSUMPTION PROVISIONS PROVIDED IN THIS AGREEMENT SHALL BE APPLICABLE WHETHER OR

NOT THE LOSSES, COSTS, EXPENSES AND DAMAGES IN QUESTION AROSE OR ARE ALLEGED TO HAVE ARISEN SOLELY OR IN PART FROM THE ACTIVE, PASSIVE, OR CONCURRENT NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OF ANY INDEMNIFIED PARTY. VENDOR AND ACADEMY ACKNOWLEDGE THAT THIS STATEMENT IN THE PRECEDING SENTENCE, COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND IS CONSPICUOUS. THE INDEMNITY OBLIGATIONS OF VENDOR UNDER THIS AGREEMENT WILL SURVIVE ANY TERMINATION OR EXPIRATION OF THIS AGREEMENT.

- 9.3

LIMITATION OF LIABILITY. EXCEPT FOR DAMAGES THAT CANNOT BE DISCLAIMED UNDER APPLICABLE LAW, ACADEMY SHALL HAVE NO LIABILITY WHATSOEVER TO VENDOR OR ITS AFFILIATES FOR DAMAGES IN EXCESS OF THE AMOUNTS PAID BY ACADEMY FOR MERCHANDISE PURCHASED UNDER THIS AGREEMENT. ACADEMY SHALL HAVE NO LIABILITY IN ANY AMOUNT FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT (INCLUDING LOSS OF PROFITS AND LOSS OF GOODWILL), EXEMPLARY OR PUNITIVE DAMAGES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, EVEN IF SUCH DAMAGES ARE FORESEEABLE OR IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE PARTIES AGREE TO THE ALLOCATION OF LIABILITY SET FORTH IN THIS PROVISION.
- 9.4

STATUTE OF LIMITATIONS. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE APPLICABLE STATUTE OF LIMITATIONS FOR ANY ACTION BY VENDOR AGAINST ACADEMY FOR ANY BREACH OF OR CLAIM RELATED TO THIS AGREEMENT SHALL BE REDUCED TO ONE (1) YEAR AFTER ANY SUCH BREACH, ACTION, OMISSION, OR OTHER EVENT CONSTITUTING THE BASIS FOR SUCH CLAIM. IN NO EVENT, HOWEVER, SHALL THIS SECTION BE CONSTRUED TO EXTEND THE STATUTE OF LIMITATIONS APPLICABLE TO SUCH CLAIM OR TO REDUCE ANY STATUTE OF LIMITATION BELOW ANY MINIMUM PERIOD REQUIRED BY LAW.
- 9.5

Insurance. For a period of at least five (5) years from the Not Before Date or Delivery Window, as applicable, Vendor shall, at its expense, obtain and maintain in effect insurance in the coverages and amounts based on the appropriate category for the Merchandise outlined on [Appendix 7 \(Insurance Requirements\)](#) hereto, and in accordance with the guidelines detailed on [Appendix 7 \(Insurance Requirements\)](#) and below. For purposes of identifying the insurance requirements hereunder, the Vendor shall use the category that contains the Merchandise supplied to Academy and shall meet the insurance requirements identified for that category, and if the Vendor’s Merchandise is not identified in a category, the Vendor shall supply at least the minimum insurance required by category 1:

The table below illustrates the Commercial General Liability (CGL) including Products Liability coverage and limit requirements further detailed in [Appendix 7 \(Insurance Requirements\)](#).

CGL coverage and limits must include at a minimum:	Category 1	Category 2	Category 3
Each Occurrence	\$2,000,0000	\$5,000,000	\$10,000,000
Personal & Advertising Injury	\$2,000,0000	\$5,000,000	\$10,000,000
General Aggregate	\$4,000,0000	\$5,000,000	\$10,000,000
Products & Completed Operations Aggregate	\$4,000,0000	\$5,000,000	\$10,000,000

The CGL shall provide coverage for Products Liability and include “bodily injury” or “property damage” arising out of the Merchandise identified in the Purchase Order(s) which are distributed or sold in the regular course of Vendor’s business.

For such insurance coverages, Vendor shall (1) include an “Additional Insured – Vendors Form” Endorsement, using ISO CG 2015 or equivalent, naming Academy, Ltd. d/b/a Academy Sports + Outdoors and its parents, affiliates and subsidiaries as “Additional Insureds”, and (2) include a Waiver of Subrogation Endorsement in favor of Academy, Ltd. d/b/a Academy Sports + Outdoors, and its parents, affiliates and subsidiaries, using ISO CG 2404, Waiver of Transfer Right of Recovery Against Others.

- (a) The CGL, including any insurance provided under the commercial umbrella, if any, shall apply as primary and non-contributory insurance and any insurance or self-insurance programs carried or maintained by Academy shall be excess and non-contributory. Vendor and/or its insurer shall provide Academy with thirty (30) days prior written notice of non-renewal, cancellation, or other change in coverage which may impair or otherwise affect Academy’s rights hereunder.
- (b) Vendor, its agents and subcontractors shall maintain Workers’ Compensation Insurance for all of its employees performing any services or obligations to Academy to the fullest extent required by the Legal Requirements of the states in which such services or obligations are being performed.
- (c) The insurance shall provide coverage territory including claims brought in the United States of America, its territories and possessions, and Canada and the country in which the product is manufactured or purchased by the Vendor and be underwritten by an insurance company that is acceptable to Academy which is rated in the most recent edition of Best’s Key Rating Guide or such other rating agency guide as the equivalent of A-VII or better.
- (d) Vendor shall furnish Academy with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, setting out compliance with the insurance requirements set forth above. Vendor agrees to provide thirty (30) days written notice to Academy prior to the cancellation or material change of any insurance referred to therein.
- (e) Failure of Academy to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Academy to identify a deficiency from evidence that is provided shall not be construed as a waiver of Vendor’s obligation to maintain such insurance. The Named Insured on the certificate must match the Vendor name on the Purchase Order.
- (f) Academy shall have the right, but not the obligation, to cancel or withhold all Purchase Orders until such certificates or other evidence that insurance has been placed in complete compliance with these requirements is received and approved by Academy.
- (g) Failure to maintain the insurance required shall constitute a material breach of this Agreement and shall allow Academy to terminate this Agreement at Academy’s option. If Vendor fails to maintain the insurance as set forth herein, Academy shall also have the right, but not the obligation, to purchase said insurance at Vendor’s expense.
- (h) With respect to insurance maintained after final payment in compliance with a requirement herein, an additional certificate(s) evidencing such coverage shall be promptly provided to Academy when requested.
- (i) Vendor shall provide certified copies of all insurance policies required above within ten (10) days of Academy’s written request for said copies.

- (j) By requiring the insurance as set out herein, Academy does not represent that coverage and limits will necessarily be adequate to protect Vendor or Academy.
- (k) The Certificate Holder should read as follows:

Academy, Ltd. d/b/a Academy Sports + Outdoors and its parents, affiliates, and subsidiaries
1540 N. Mason Rd.
Katy, Texas 77449
Attn: Risk Management
Email: RiskManagement@Academy.com
Fax: (281) 646-5071
- (l) For domestic vendors, the issuing broker should (1) either fax or email a copy of the COI and required endorsements to Academy's Legal Department at (281) 646-5071 or email: RiskManagement@Academy.com, and (2) mail the original certificate along with a copy of the additional insured endorsement and waiver of subrogation endorsement to the Certificate Holder's address. For non-U.S. vendors, the issuing broker or Vendor should upload the COI to Academy's Shipment Approval and PLI module at <http://www.cleartrack.com>.

10. **CONFIDENTIALITY.**

During the term of this Agreement and thereafter, either Party (the “**Acquiring Party**”) may have the opportunity to acquire and/or obtain access to confidential or proprietary information, whether orally or in physical form, of the other Party and its Affiliates, agents, customers and suppliers (collectively, the “**Disclosing Party**”) through discussions with employees, agents and independent contractors of the Disclosing Party. Each Disclosing Party hereby retains its entire right, title and interest in and to all Confidential Information. Any disclosure by the Disclosing Party of Confidential Information hereunder shall not be construed as an assignment, grant, option, license or other transfer of any such right, title or interest whatsoever to the Acquiring Party or any of its representatives. The term “**Confidential Information**” means all confidential or proprietary information concerning the Disclosing Party and/or its business, products, processes, or services disclosed or made available in connection with this Agreement and which at the time of disclosure either: (i) is marked as “Confidential” or “Proprietary”; (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the Disclosing Party; or (iii) should reasonably be understood to be confidential or proprietary information of the Disclosing Party given the nature of the information and the circumstances surrounding its disclosure; including any marketing strategies, technical information, Merchandise development information, Specifications, pricing information, personnel information and financial information acquired in the course of performance of this Agreement, trade secrets, ideas, methods, concepts, plans, research, reports, documentation, materials, work in process, technology, inventions, discoveries, creations, writings, graphics, drawings, sketches, product designs, styles, models, unpatented inventions, unpublished patent, trademark and copyright applications and other confidential intellectual property, and all third party information that a Party or its Affiliates is obligated to keep confidential. The Acquiring Party shall not (a) disclose or permit the disclosure of the Confidential Information of the Disclosing Party to any employee, contractor, agent or other third party, unless such disclosure is required to perform its obligations under this Agreement and such employee, contractor, agent or other third party is bound by obligations of confidentiality equivalent to those contained in this Agreement, or (b) use the Confidential Information of the Disclosing Party for any purpose other than the performance of its obligations under this Agreement (including, but not limited, to reverse engineer, disassemble, decompile or design around the Disclosing Party's proprietary services, products and/or confidential intellectual property), except with the Disclosing Party's prior written consent. The Acquiring Party will take every reasonable precaution to protect the confidentiality of Confidential Information of the Disclosing Party and to prevent the unauthorized use or disclosure of the Confidential Information of the Disclosing Party, which in no event shall be less than the efforts exercised by the

Acquiring Party with respect to the its own confidential information of like kind or importance, and shall exercise due care in the enforcement of this obligation. The obligations of this **Section 10** will not apply to information which (1) is known to the Acquiring Party prior to the Effective Date, (2) is later obtained by the Acquiring Party from another source, (3) is in, or enters into, the public domain, in each case, without violation of this Agreement or any other confidentiality or nondisclosure agreement or obligations, or (4) is required to be disclosed pursuant to the order of a court or regulatory agency acting within its authority; provided, that (x) the Acquiring Party provides prior written notice to the Disclosing Party of any such order and required disclosure of Confidential Information; (y) the Disclosing Party has a reasonable opportunity to object to the disclosure and to seek a protective order blocking the proposed disclosure or limiting the scope of the information disclosed; and (z) the Acquiring Party discloses only the information that is required by the order or the court or regulatory authority to be disclosed. The Acquiring Party shall take all actions reasonable and necessary to ensure that its employees and contractors are advised of, and bound by, the terms of this Agreement. The Acquiring Party's obligations under this **Section 10** shall survive the termination or expiration of this Agreement or any Purchase Order.

11. INTELLECTUAL PROPERTY.

11.1 Vendor represents and warrants that all Merchandise Material is accurate, truthful and complete and that the Merchandise and Merchandise Material does not infringe upon a third party's intellectual property or other rights or misappropriate the trade secrets or proprietary information of a third party. .

11.2 With regard to National Brand Merchandise:

11.2.1 Vendor grants to Academy the non-exclusive, irrevocable, worldwide, royalty-free right and license to use, copy, distribute, perform, display, sell, offer to sell, import, export, transmit and modify any Merchandise Material for the distribution, marketing and sale of such National Brand Merchandise by Academy and the use of such National Brand Merchandise by customers of Academy.

11.2.2 Notwithstanding anything to the contrary herein, Academy acknowledges and agrees that Vendor does not transfer to Academy any of Intellectual Property Rights in such National Brand Merchandise and/or the Merchandise Material for such National Brand Merchandise.

11.3 With regard to Academy Branded Merchandise:

11.3.1 Vendor grants to Academy the non-exclusive, irrevocable, worldwide, royalty-free right and license to make, use, copy, distribute, perform, display, sell, offer to sell, import, export, transmit and modify any Merchandise Material for the manufacturing, distribution, marketing and sale of such Academy Branded Merchandise by Academy and the use of such Academy Branded Merchandise by customers of Academy.

11.3.2 Vendor hereby acknowledges and agrees that all right, title, and interest in and to any and all Foreground Intellectual Property shall be the sole and exclusive property of Academy, and Vendor hereby irrevocably assigns and agrees to assign to Academy, for no additional consideration and without any further action of the Parties, Vendor's entire right, title, and interest in and to all such Foreground Intellectual Property therein. Academy shall have the unlimited right to copy, distribute, transfer, perform, display, modify, and create derivative works of (any of the foregoing uses, a "Use") such Foreground Intellectual Property, in whole or in part for any purpose including manufacture, development, production, design, import, export, sale, marketing, and commercialization. Vendor acknowledges and agrees that this Agreement does not and shall not be construed to grant Vendor any license or right of any nature with respect to such Foreground Intellectual

Property or any of Academy's Background Intellectual Property, except as provided in Section 11.3.6.

- 11.3.3** With respect to any copyrights associated with such Foreground Intellectual Property, to the extent allowed under the U.S. Copyright Act, such Foreground Intellectual Property shall be deemed a "work made for hire." With respect to any copyrights associated with such Foreground Intellectual Property, to the extent any such Foreground Intellectual Property is not deemed "work for hire," Vendor hereby irrevocably assigns and agrees to assign to Academy, for no additional consideration and without any further action of the Parties, Vendor's entire right, title and interest in and to such Foreground Intellectual Property. To the extent any copyrights are assigned under this Agreement, Vendor hereby irrevocably waives, to the extent permitted by applicable law, any and all claims Vendor may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as "moral rights" with respect to all Foreground Intellectual Property therein.
- 11.3.4** As requested by Academy, Vendor will take such further actions as may be appropriate to give full and proper effect to the assignments herein, including without limitation obtaining assignments, declarations, oaths, or other papers or documents from any employee, consultant, subcontractor, agent, factory or affiliate of Vendor in furtherance of Academy's Use, application for, registration of, or enforcement of proprietary rights associated with such Foreground Intellectual Property. Vendor agrees that it will not itself file, nor oppose any filing by Academy, for any patents, copyrights, trademarks or other proprietary rights for such Foreground Intellectual Property. Vendor agrees and affirms that it has not and will not enter into any assignment, contract or understanding that conflicts with this assignment and agreement to assign such Foreground Intellectual Property. Vendor agrees to reasonably cooperate with Academy to (a) apply for, obtain, perfect and transfer to Academy such Foreground Intellectual Property as well as any rights therein in any jurisdiction in the world; and (b) maintain, protect and enforce the same, including, without limitation, executing and delivering to Academy any and all requested oaths, declarations, affidavits, waivers, assignments, specimens, samples, diagrams and signed documents to assist Academy in perfecting its rights to such Foreground Intellectual Property. Vendor hereby irrevocably grants Academy power of attorney, coupled with an interest, to execute and deliver any such documents on Vendor's behalf in Vendor's name and to do all other lawfully permitted acts to transfer such Foreground Intellectual Property to Academy and further the transfer, issuance, prosecution and maintenance of all rights therein, to the full extent permitted by law, if Vendor does not promptly cooperate with Academy's request (without limiting the rights Academy shall have in such circumstances by operation of law).
- 11.3.5** Nothing contained in this Agreement shall be construed to reduce or limit Academy's rights, title or interest in any Foreground Intellectual Property, so as to be less in any respect than what Academy would have had in the absence of this Agreement. Nothing contained herein shall limit the defense and indemnification obligations of Vendor hereunder.
- 11.3.6** To the extent required to manufacture and/or import any Academy Branded Merchandise at Academy's instruction or direction, Academy grants Vendor a limited, non-exclusive, revocable license to the Academy Background Intellectual Property and the Foreground Intellectual Property.
- 11.3.7** To the extent that the Academy Branded Merchandise covered by this Agreement contains any of Vendor's Background Intellectual Property, Vendor shall notify Academy in writing of the specific Vendor's Background Intellectual Property and hereby grants to

Academy a non-exclusive, irrevocable, perpetual, worldwide, non-transferable, royalty-free license to Use Vendor's Background Intellectual Property, in whole or in part, as Academy deems necessary to make full Use of such Academy Branded Merchandise, including the incorporation of such Background Intellectual Property into such Academy Branded Merchandise. Except for the license expressly granted herein, Vendor shall own all right, title and interest in and to the Vendor's Background Intellectual Property.

12. **TERMINATION**

- 12.1 Termination by Academy.** Academy may terminate this Agreement or any Purchase Order, in whole or in part, by written notice to Vendor, without further obligation, if Vendor fails to perform any material provision of this Agreement, and fails to cure the failure within thirty (30) days after receipt of notice thereof.
- 12.2 Termination by Vendor.** Vendor may terminate this Agreement if Academy fails to pay to Vendor when due properly invoiced, undisputed amounts that in the aggregate are material and fails to cure any such breach within thirty (30) days after receiving notice from Vendor of the failure to make payment of such amounts.
- 12.3 Termination by Either Party.** Either Party may terminate this Agreement and its obligations under a Purchase Order, in whole or in part, by written notice to the other, without further obligation to the other, if:
- (a) the other Party becomes insolvent or makes an assignment for the benefit of creditors, or a receiver or similar officer is appointed to take charge of all or part of such Party's assets, or acknowledges its inability to pay debts as they become due, or
 - (b) an event of *force majeure* occurs as set forth in **Section 15.8** of this Agreement, and performance by either Party is delayed for more than sixty (60) days.
- 12.4 Effect of Termination.** Upon termination of this Agreement or any Purchase Order, Vendor, as directed by Academy, shall cease performance under all terminated Purchase Orders and continue to perform under any non-terminated Purchase Orders. As directed by Academy, Vendor shall take return of any Merchandise under a terminated Purchase Order, at Vendor's expense, and promptly provide a refund to Academy for any such returned Merchandise.

13. **ELECTRONIC DATA INTERCHANGE**

- 13.1 Documents, Guide.** Each Party shall electronically transmit to or receive from the other Party any of the transaction sets required for the execution and delivery of the Purchase Order and the terms and conditions set forth in this Agreement and any amendments thereof (collectively, "**Documents**") unless Academy has agreed in writing to accept another form of communication. All Documents will be transmitted in accordance with the applicable EDI Guidelines found on the Vendor Website. Academy will publish any revisions to the EDI Guidelines at the Vendor Website and such revisions shall be effective on the day of publication.
- 13.2 Transmission of Documents.** Documents will be transmitted electronically to each Party directly, or through a third party service provider ("**Provider**") through which either Party may contact the other; *provided, that*, Vendor must send hard copies of all import documents to Academy's accounting department at 1540 North Mason Road, Katy, Texas 77449 USA; Attn: Accounts Payable Imports. Either Party may modify its election to use, not use or change a Provider upon thirty (30) days prior written notice to the other Party. Each Party will be liable for the acts or omissions of its Provider while transmitting, receiving, storing or handling Documents, or performing related activities, for such Party; *provided, that* if both Parties use the same Provider to effect the transmission and receipt of a Document, then the originating Party will be liable for the acts or omissions of such Provider as to such Document. Each Party will properly use such

security procedures as may be reasonably sufficient to ensure that all transmissions of Documents are authorized and to protect its business records and data from improper or unauthorized access.

- 13.3 Signatures.** Each Party will adopt as its signature an electronic identification consisting of symbol(s) or code(s) to be affixed to or contained in each Document transmitted by such Party (“**Signatures**”). Each Party agrees that any Signature of such Party affixed to or contained in any transmitted Document will be sufficient to verify that such Party originated such Document. Neither Party will disclose to any unauthorized person the Signatures of the other Party.

14. COMPUTER SYSTEMS ACCESS.

- 14.1** Vendor may be provided access to proprietary computer systems and technologies owned or operated by Academy and/or its parent, subsidiary, and affiliated companies (the “**Systems**”). Vendor agrees that the Systems will be used only for the business purposes of Academy. Vendor further agrees to maintain internal security systems and policies that, at a minimum, comply with this Section and industry best practices and standards and that protect the integrity of the Systems and information stored on or transferred between the Systems. Vendor must at all times protect the Systems and information contained in the Systems from unauthorized use, theft, misuse, accidental or unauthorized modification, disclosure, transfer or destruction. Vendor accepts the liability of managing its users’ access to the Systems and information stored on or transferred by between the Systems as outlined herein. ACADEMY PROVIDES THE SYSTEMS ON AN “AS-IS” AND “AS AVAILABLE” BASIS, AND HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY, SECURITY, NON-INFRINGEMENT, AGAINST DEFECTS, AND FITNESS FOR A PARTICULAR PURPOSE. Vendor shall ensure that any personnel of Vendor having access to the Systems and information stored on or transferred by between the Systems will: (i) only utilize such access to perform their obligations to Academy; (ii) not perform any unauthorized exploring or mining of the Systems and information; and (iii) only have access to the portion of the Systems and information necessary to perform the Vendor’s obligations.

- 14.2** Vendor agrees not to introduce any viruses, time or logic bombs, Trojan horses, worms, timers, clocks, back doors, or other computer instructions, devices, or techniques that erase data or programming, infect, disrupt, damage, disable, or shut down the Systems or any component of the Systems, including its security or user data. If Vendor discovers or is notified of a failure to satisfy this Section or a breach or potential breach of security relating to any Systems information, the Systems, the data, or any applicable Legal Requirement, Vendor will (i) promptly notify Academy of such breach or potential breach, (ii) cooperate in any investigation of the breach, (iii) use its commercially reasonable efforts to mitigate the effects of the breach or potential breach, and (iv) provide Academy with assurance reasonably satisfactory to Academy that such breach or potential breach will not recur. Academy retains the right to suspend Vendor’s access to the Systems pending resolution of an investigation. Except as otherwise expressly provided herein, Academy retains all right, title and interest in and to the Systems and any data or information contained therein, including derivatives thereof.

15. GENERAL PROVISIONS.

- 15.1 Disputes.** Any type of dispute between the Parties hereto (other than those arising under **Section 9.1 (Indemnification)**), shall, as a condition precedent to any arbitration or court proceeding, be mediated by the Parties. The requesting Party shall inform the other Party of the grounds of the dispute. The Parties shall mutually agree upon a mediator and shall schedule and conduct the mediation at a mutually convenient time and location. Each Party shall bear its own costs and expenses associated with such mediation, except that the Parties agree to split equally the costs and expenses of the conducting mediator. Notwithstanding the foregoing, Academy may proceed direct to court or arbitration without the requirement of mediation or arbitration in order to: (i) prevent the lapse of any statute of limitations; (ii) preserve its rights with respect to creditors; (iii)

obtain an injunction or order compelling specific performance; or (iv) seek other forms of equitable relief.

- 15.2 Audit.** During the term of the Agreement and for a period of two (2) years thereafter, Academy shall have the right, at its expense, either directly or through an independent accounting firm (an “**Auditor**”), to audit Vendor’s (and Vendor’s agents’ and subcontractors’) facilities, personnel, books and records for the purpose of verifying (a) all amounts payable to or charged by Vendor hereunder, (b) the design, manufacture, packaging, labeling, delivery and condition of the Products and performance of transactions contemplated hereunder, and (c) compliance by Vendor and its agents and subcontractors with this Agreement (an “**Audit**”). Audits shall be conducted in a manner that does not unreasonably interfere with Vendor’s normal business operations. If any Audit conducted pursuant to this **Section 15.2** uncovers any non-compliance with this Agreement or any discrepancy between the audited records and any amounts paid to or charged by Vendor, Vendor shall promptly, as applicable, correct such non-compliance and pay any and all amounts necessary to reconcile such discrepancy. Anything herein to the contrary notwithstanding, if an Audit conducted pursuant to this **Section 15.2** uncovers an overpayment that is greater than five percent (5%) of the amount actually due during the period audited or a material failure by Vendor or its’ agents and subcontractors to comply with this Agreement, then Vendor shall reimburse Academy for the actual costs of the audit.
- 15.3 Time is of the Essence.** Vendor acknowledges and agrees that time is of the essence with respect to the performance of its obligations under this Agreement and any Purchase Order.
- 15.4 Notice.** Any notice or demand which must be given or made by Vendor or Academy, under the terms of this Agreement or any Legal Requirement, shall be in writing and shall be given or made by e-mail, electronic data interchange or facsimile or by certified or registered mail or by a reputable express delivery service properly addressed to the respective Parties, or by such other means as is expressly provided in this Agreement. A copy of any Notice to Academy shall be sent to Academy’s General Counsel, 1800 N. Mason Rd., Katy, Texas 77449, Fax: (281) 646-5071.
- 15.5 Assignment.** Vendor may not assign this Agreement or delegate any duties or obligations under this Agreement without the prior written consent of Academy.
- 15.6 Liens.** Vendor shall not file any lien or notice of claim to a lien of any kind or nature whatsoever or permit the same for Merchandise or Materials furnished pursuant to the terms of this Agreement. Furthermore, Vendor hereby expressly waives and relinquishes the right to any and all liens or claim of lien as may be permitted or provided for by any provision of law.
- 15.7 Use of Name and Publicity.** Vendor shall not use Academy’s name, or make a claim that Academy endorses Vendor or Vendor’s Merchandise or put forth any press release or public statement regarding Academy or this Agreement without Academy’s prior written consent.
- 15.8 Force Majeure.** Neither Vendor nor Academy shall be held responsible for any delay or failure in performance of any part of this Agreement to the extent that such delay or failure is caused by fire, flood, explosion, war, embargo, government requirement, civil or military authority, act of God, or any other similar causes beyond the control of Vendor or Academy (“**Condition**”); provided, that if any such Condition occurs, the Party delayed or unable to perform must give immediate notice to the other Party describing the nature of the condition and its anticipated effect upon performance and must use its best efforts to minimize any resulting delay in or interference with the performance of its obligations under this Agreement.
- 15.9 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the United States of America and the State of Texas (excluding Texas rules regarding conflict of laws). The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

- 15.10 Exclusive Venue and Jurisdiction; Costs.** Each Party irrevocably submits to the exclusive jurisdiction of and venue in the state and federal courts of proper subject matter jurisdiction in Harris County, Texas, United States of America, solely for the purpose of interpreting this Agreement and adjudicating any dispute arising hereunder. If any legal action or other proceeding is brought for the enforcement of any of the terms of this Agreement, then each Party will be responsible for its attorneys' fees and other costs incurred in the action or proceeding.
- 15.11 Amendments.** No Change Order or amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of both Parties.
- 15.12 Non-Waiver.** A Party's failure at any time to enforce any of the provisions of this Agreement or any right or remedy available hereunder or at law or equity, or to exercise any option herein provided, will in no way be construed to be a waiver of such provisions, rights, remedies or options or affect the validity of this Agreement. The exercise by either Party of any rights, remedies or options provided hereunder or at law or equity shall not preclude or prejudice the exercising thereafter of the same or any other rights, remedies or options. This Agreement binds the Parties and their parents, subsidiaries, affiliates, successors, and assigns.
- 15.13 Authority.** Each Party represents that it has full power and authority to enter into and perform this Agreement, and the person signing this Agreement, on behalf of each, has been properly authorized and empowered to enter into this Agreement, understands it, and agrees to be bound by it.
- 15.14 Non-Agency.** Each of the Parties shall perform its obligations under this Agreement as an independent contractor. Nothing herein contained shall be deemed to create an agency, joint venture or partnership relationship between the Parties.
- 15.15 Entire Agreement.** This Agreement and the Purchase Order, together with the Appendices, constitute the entire agreement between Academy and Vendor relating to the subject matter of this Agreement. This Agreement shall not be deemed to modify, supersede, void, terminate or otherwise alter any non-disclosure, confidentiality or intellectual property rights and obligations of either Party provided under any prior agreement and such rights and obligations shall remain in full force and effect until such obligations terminate on their own terms, except that the non-disclosure, confidentiality and intellectual property rights and obligations in this Agreement shall control to the extent that they are more stringent than the non-disclosure, confidentiality or intellectual property rights and obligations provided under any prior agreement. Academy will not be bound by any standard or preprinted terms or conditions contained in Vendor's acknowledgements, invoices, or other Vendor forms, or counteroffers, that propose terms or conditions in addition to or differing from the terms and conditions set forth in this Agreement with respect to its subject matter. In addition, any terms and conditions on any Vendor's internet site to which agreement by Academy is deemed or required in any manner, whether through an online electronic agreement, site use, or otherwise, will be null and void and of no legal effect on Academy.
- 15.16 Cumulative Remedies.** Unless expressly provided otherwise herein, all rights and remedies granted to each Party under this Agreement are cumulative and in addition to, and not in lieu of, any other rights or remedies otherwise available to such Party in this Agreement, at law or in equity. In addition to the other rights and remedies in the Agreement, Academy reserves the right to issue Chargebacks to Vendor for any violation of or variation from the terms, conditions, and warranties of the Agreement, and as described in **Appendix 9**.
- 15.17 Severability.** The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of any other provision hereof. To the fullest extent permitted by law, if any provision of this Agreement, or the application thereof to any person, entity or circumstance, is invalid or unenforceable (i) a suitable

and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision to other persons, entities or circumstances shall not be affected by such invalidity or unenforceability.

- 15.18 Survival.** Expiration or termination of this Agreement for any reason will not release either Party from any liabilities or obligations set out in this Agreement which (i) the Parties have expressly agreed will survive any such expiration or termination, or (ii) by their nature would be intended to be applicable following any such expiration or termination.
- 15.19 Headings, Ambiguities and Construction.** The inserted headings are for convenient reference only and will not be used to construe or interpret this Agreement. No presumption will apply in favor of a Party in the interpretation of this Agreement or in the resolution of any ambiguity of any provisions hereof. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation” or “but not limited to”. Unless otherwise modified, the words “day,” “month,” and “year” mean and refer, respectively, to a calendar day, month and year.
- 15.20 Appendices.** The following Appendices are referenced in the corresponding sections of these Terms listed below and are hereby incorporated by reference:

<u>Appendix</u>	<u>Sections Referenced</u>
Appendix 1 – Factory Security Questionnaire (FSQ)	8.7(b)
Appendix 2 – Guidelines for Vendor’s Container Search and Seal Integrity Program	8.7(b)
Appendix 3 – Global Sourcing Requirements and Code of Vendor Conduct	7.2, 8.8
Appendix 4 – Marking Requirements for Mutilated Samples	8.9
Appendix 5 – Import Document Requirements: Document Checklist	4.2.1
Appendix 6 – Direct Import Shipment Payment Instructions	5.3
Appendix 7 – Vendor Insurance Requirements	9.5
Appendix 8 – Drop Ship Vendor Appendix	4.7
Appendix 9 – Chargeback Schedule	4.6, 15.16

APPENDIX 1

FACTORY SECURITY QUESTIONNAIRE (FSQ)

Attached is a sample of the FSQ. Please feel free to use the sample FSQ to evaluate your factory prior to receiving the electronic version of this document.

FACTORY SECURITY QUESTIONNAIRE (FSQ12)

Number	Question	Answer Type	Added Note Required	Notes
		<p>* note required for this answer</p> <p>**Unless otherwise noted continue with next question.</p>		
1	Does the facility have a written security policy?	Yes*	Is the Average Employee aware of the policy?	
		No*	When will this be implemented?	
2	Is there a security awareness program?	Yes*	Is the Average Employee aware of the policy?	
		No*	When will this be implemented?	
3	Is the facility constructed and maintained properly to resist unlawful entry? (solid walls/ceilings, perimeter fences, working locks and/or alarms on external and internal doors, windows, gates and fences, etc.)	Yes		
		No*	When will this be implemented?	
4	Are the shipping loading dock and cargo areas monitored and secured?	Yes		
		No*	When will this be implemented?	
5	Are there adequate locking devices for external and internal doors, windows, gates and fences?	Yes		
		No*	When will this be implemented?	
6	Is there adequate and functioning lighting inside and outside the facility, including the parking areas?	Yes		
		No*	When will this be implemented?	
7	Is there a parking area for employee (and/or visitor) vehicles?	Yes		
		No*	Where do Employees park?	
8	Is the parking area separate from the shipping/loading dock and cargo areas?	Yes		
		No*	When will this be implemented?	
9	Does the facility have dedicated security guard (s) on duty 24 hrs a day, 7 days a week?	Yes		
		No*	How is facility secured when guards are not present?	
10	Have background checks been done on the security guards?	Yes		
		No*	When will this be implemented?	
11	Have the training and qualifications been verified for the security guards?	Yes		
		No*	When will this be implemented?	
12	Does the facility have a visible electronic security system (for example; working security CCTV cameras, electronic motion detectors, automatic alarms, etc.)?	Yes		
		No*	How are access areas monitored? **Go to question #17.	
13	Does the electronic security system cover all critical areas (for example; entry/exit doors, loading & receiving areas, storage)?	Yes		
		No*	When will this be implemented?	
14	Is the electronic security system serviced and tested?	Yes		
		No*	When will this be implemented?	
15	Are there documented procedures in place stating the frequency of service and testing of the electronic security system?	Yes		
		No*	When will this be implemented?	
16	If facility has security cameras, is the recorded video maintained in a secure area for at least 30 days?	Yes		
		No*	How long are the videos maintained, can this be extended?	
17	Does the facility produce domestic goods (for sale within your country)?	Yes		
		No	**Go to question #19.	
18	Does the facility provide for segregation and marking of international from domestic cargo within the facility by a safe, caged or otherwise fenced-in area?	Yes		
		No*	When will this be implemented?	
19	Does the facility produce dangerous or high-value goods?	Yes		
		No	**Go to question #21.	
20	Does the facility provide for segregation and marking of dangerous or high-value cargo within the facility by a safe, caged or otherwise fenced-in area?	Yes		
		No*	When will this be implemented?	
21	Does the facility properly store empty and full containers/trailers/railcars to prevent unauthorized access?	Yes		
		No*	Please explain.	
22	Does the facility have an internal/external communications system in place to contact internal security personnel and/or local law enforcement if necessary?	Yes		
		No*	When will this be implemented?	

Number	Question	Answer Type	Added Note Required	Notes
23	Does the facility have a documented system in place to prevent unauthorized access to Production, Shipping, Loading Dock and Cargo areas?	Yes		
		No*	When will this be implemented?	
24	Does the facility require positive identification of all employees, visitors, and vendors?	Yes		
25	Do employees show a photo identification badge before being admitted to the facility?	No*	When will this be implemented?	
		Yes		
26	Are employees restricted from taking personal items (this does not include drinking cups) into the production area?	Yes		
		No*	When will this be implemented?	
27	Does the facility require all visitors to sign in?	Yes*	Is a Visitor Log maintained?	
		No*	When will this be implemented?	
28	Can all employees be easily identified with provided ID badges or other?	Yes		
		No*	When will this be implemented?	
29	Are all visitors issued ID visitor badges (including the auditors) different from the employee ID badges?	Yes		
		No*	When will this be implemented?	
30	Do authorized employees tightly control keys or entry codes to the facility?	Yes		
		No*	When will this be implemented?	
31	Does the facility have procedures for challenging/confronting unauthorized/unidentified persons?	Yes		
		No*	When will this be implemented?	
32	Are all visitors (including the auditor) accompanied by a facility representative at all times in secured areas?	Yes		
		No*	When will this be implemented?	
33	Does the facility have signs posted stating the requirements for access to certain areas (loading dock, offices, dangerous work areas, etc.)?	Yes		
		No*	When will this be implemented?	
34	Does the facility have a Card Access System?	Yes		
35	If facility has a Card Access System, are records of daily transactions maintained in a secure area?	No*	How is the employee Entrance/exit monitored? **Go to question #37.	
		Yes		
36	If facility has a Card Access System, is a documented procedure in place to service and test the system?	No*	When will this be implemented?	
		Yes		
37	Does the facility have a Security Policy (System, Procedure, or Manual) that is documented in writing that covers PROCEDURAL SECURITY? (Note: This may be a stand alone document or part of a Quality Manual or Procedures Manual)	No*	When will this be implemented?	
		Yes		
38	Is there a designated manager or group responsible for security?	No*	When will this be implemented?	
		Yes		
39	Does the facility have a designated security officer or manager to supervise the inbound/outbound cargo?	Yes		
		No*	When will this be implemented?	
40	Does the facility have adequate procedures for monitoring and documenting the timely movement of incoming and outgoing goods?	Yes		
		No*	When will this be implemented?	
41	Does the facility have adequate procedures for properly marking, weighing, counting and documenting products?	Yes		
		No*	When will this be implemented?	
42	Does the facility have adequate procedures for detecting and reporting of shortages or overages?	Yes		
		No*	When will this be implemented?	
43	Is the loading truck restricted to authorized employees only?	Yes		
		No*	When will this be implemented?	
44	Are outgoing trucks/trailers/containers subject to inspection for contents?	Yes		
		No*	When will this be implemented?	
45	Are incoming trucks/trailers/containers subject to inspection for contents?	Yes*	Is a inbound container log kept and how long are the records maintained?	
		No*	When will this be implemented?	

Number	Question	Answer Type	Added Note Required	Notes
46	Does the facility maintain a Factory Outbound Shipment Log, specifically designed to record outbound shipment information, as they witness the loading of containers or trailers for delivery to a freight-forwarder/consolidator or ocean freight terminal? Information captured shall include: Carrier, Driver Name, Container/Trailer Number, Seal Number (if applicable), Destination, Purchase Order, Item Number, Manifest Quantity, Date Loaded, Time Loaded, Security Guard Name.	Yes		
		No*	When will this be implemented? **Go to question #48.	
47	Are copies of the completed Factory Outbound Shipment Log retained at the manufacturing facility / shipping facility and readily available upon request?	Yes		
		No*	When will this be implemented?	
48	Can containers be kept at your facility overnight or longer?	Yes		
		No		
49	Are empty and full containers locked and stored in a secure area?	Yes		
		No*	When will this be implemented?	
50	Are containers stored at another facility and kept in a locked and secure area?	Yes		
		No*	When will this be implemented?	
51	Are inbound and outbound containers inspected for tampering?	Yes		
		No*	When will this be implemented?	
52	Is there a process to protect seal integrity of outbound containers between the factory and the in-gate at the ocean terminal or approved container yard?	Yes		
		No*	When will this be implemented?	
53	Are the seals on inbound and outbound containers checked to make sure that they match shipping documents?	Yes		
		No*	When will this be implemented?	
54	Does the facility have written procedures for affixing, replacing, recording, tracking and verifying seals on containers, trailers and railcars?	Yes		
		No*	When will this be implemented?	
55	Is an authorized employee responsible to put seals on the finished goods containers after loading?	Yes		
		No*	When will this be implemented?	
56	Does the facility management conduct internal security assessments?	Yes		
		No*	When will this be implemented?	
57	Does the facility maintain an updated file of Corrective Action procedures for security issues detected during the security assessment?	Yes		
		No*	When will this be implemented?	
58	Is there a written procedure if a security guard or employee notices any suspicious activity?	Yes		
		No*	When will this be implemented?	
59	Does the facility have adequate procedures for notifying local law enforcement and other authorities (i.e. Customs) in cases where anomalies or illegal activities are detected, or suspected (including compromised seals where applicable)?	Yes		
		No*	When will this be implemented?	
60	Does the facility have a vendor certification program/process of some type for raw materials suppliers?	Yes		
		No*	When will this be implemented?	
61	Does the facility use sub-contractors (not raw material suppliers)?	Yes		
		No	**Go to question #64	
62	Has Academy authorized the use of the subcontractor?	Yes*	Insert note with legal name and address of subcontractor and function they perform for you.	
		No*	Insert note with legal name and address of subcontractor and function they perform for you.	
63	Does the facility provide supervision of subcontractors to ensure compliance with security issues?	Yes		
		No*	When will this be implemented?	
64	Does the facility document the formal education level, qualifications, and experience of their staff responsible for security?	Yes		
		No*	When will this be implemented?	
65	Does the facility conduct employment screening and interviewing of prospective employees including periodic background checks and application verifications?	Yes		
		No*	When will this be implemented?	

Number	Question	Answer Type	Added Note Required	Notes
66	Does the facility have documented procedures for terminated employees to ensure return of security instruments (access cards, IDs, keys, etc.)?	Yes		
		No*	When will this be implemented?	
67	Does the facility have a procedure for reporting of potential security issues observed by employees?	Yes		
		No*	When will this be implemented?	
68	Where applicable, are only designated employees approved to distribute container seals?	Yes		
		No*	When will this be implemented?	
69	Is the facility aware of and compliant with the U.S. Customs 24-hour rule?	Yes		
		No*	When will this be implemented? Please go to Academy Vendor Website: "https://vendor.academy.com/files/downloads/24%20Hour%20Customs%20Rule.Requirements.pdf"	
70	Does the facility have a documented security education and awareness program?	Yes		
		No*	When will this be implemented?	
71	Is there a designated management representative responsible for the education and training awareness program?	Yes		
		No*	When will this be implemented?	
72	Are periodic trainings for employees held using both verbal and written means?	Yes		
		No*	When will this be implemented?	
73	Does the policy explain expectations of the employees about what behavior will not be tolerated and related disciplinary action?	Yes*	What disciplinary actions are taken?	
		No*	When will this be implemented?	
74	Does the policy include a clear explanation of how different procedures work; for example, the correct channels for means to report suspicious behavior, how an incentive program works, gaining entrance to secure areas etc.?	Yes		
		No*	When will this be implemented?	
75	Do trainings include the following: the importance of security, addressing and preventing unauthorized access, preventing product tampering/integrity, recognizing and reporting illegal conduct and activities by other employees?	Yes		
		No*	When will this be implemented?	
76	Does the facility encourage (with incentives of some kind) employees to participate and / or to report any potential security issues they have observed?	Yes		
		No*	When will this be implemented?	
77	Does the facility conduct periodic employee meetings where security issues can be discussed?	Yes		
		No*	When will this be implemented?	
78	Does the facility have a method to inform employees on a timely basis of potential security problems (bulletin, announcements, etc.)?	Yes		
		No*	When will this be implemented?	
79	Does the facility have a documented threat awareness program established and maintained by security personnel?	Yes		
		No*	When will this be implemented?	
80	Does the program include routine briefings/postings about smuggling trends, seizures and information on terrorist threats relevant to the facility's own supply chain and location?	Yes		
		No*	When will this be implemented?	
81	Does the factory have internal controls for IT Security (i.e. firewalls, virus protection, etc.)?	Yes*	What general types of protection are used?	
		No*	How are the computer systems protected?	
82	Does the factory have internal controls concerning password protection and security?	Yes*	What is the frequency of password changes?	
		No*	When will this be implemented?	
83	Enter the Full Legal Factory Name in the "Note" field.	Yes*	Enter the Full Legal Factory Name in the "Note Text" field.	
		No*	Enter the Full Legal Factory Name in the "Note Text" field.	
84	Enter the Full Legal (detailed) address for the factory, including the Postal/Zip Code, in the "Note" field.	Yes*	Enter the Full Legal (detailed) address for the factory, including the Postal/Zip Code	
		No*	Enter the Full Legal (detailed) address for the factory, including the Postal/Zip Code	

Number	Question	Answer Type	Added Note Required	Notes
85	Is your factory represented by a Vendor to Academy? If yes, what is the Vendor's Name?	Yes*	What is the Vendor's name?	
		No		
86	Enter the name and e-mail of the Facility Manager in the "Note" field.	Yes*	Enter the name and e-mail of the Facility Manager	
		No*	Enter the name and e-mail of the Facility Manager	
87	Enter the name & e-mail of the Compliance Manager in the "Note" field.	Yes*	Enter the name and e-mail of the Compliance Manager	
		No*	Enter the name and e-mail of the Compliance Manager	
88	Enter the name & e-mail of the Freight Booking Manager in the "Note" field.	Yes*	Enter the name and e-mail of the Freight Booking Manager	
		No*	Enter the name and e-mail of the Freight Booking Manager	
89	Enter the name and address of the company which moves your cargo from the factory to the port or freight forwarder's warehouse, and contact name and e-mail of the inland drayage company in the "Note" field.	Yes*	Enter the name and address of the company which moves your cargo from the factory to the port and also the inland drayage contact's name and e-mail in the "Note" field.	
		No*	Enter the name and address of the company which moves your cargo from the factory to the port and also the inland drayage contact's name and e-mail in the "Note" field.	
90	Enter the name and address of the company which prepares the documents for your cargo and the contact name & e-mail of the document preparation company in the "Note" field.	Yes*	Enter the name and address of the company which prepares the documents for your cargo and the contact name & e-mail at the document preparation company in the "Note" field.	
		No*	Enter the name and address of the company which prepares the documents for your cargo and the contact name & e-mail at the document preparation company in the "Note" field.	
91	Enter the name of the primary port from which your cargo ships in the "Note" field.	Yes*	Enter the name of the primary port from which your cargo ships in the "Note" field.	
		No*	Enter the name of the primary port from which your cargo ships in the "Note" field.	

APPENDIX 2
GUIDELINES FOR VENDOR'S CONTAINER SEARCH AND SEAL INTEGRITY PROGRAM
SEVEN POINT SYSTEM: Container Search

I. CONTAINER SEARCH PROGRAM PROCEDURES:

- a) Container Tracking: Containers should be anticipated prior to their arrival at factory.
- b) Inspection of all Vehicles: All vehicles should be inspected, especially those trying to gain access to shipping and receiving areas.
- c) All containers arriving at facility must be inspected at earliest point (outside of factory)
- d) Seal inspection/verification prior to giving container access to your factory.

All containers arriving at facility must have:

- a) Documentation verified
- b) Seven point container inspection
- c) Seal number integrity verified.

II. CONTAINER SEVEN POINT INSPECTION:

- a) Undercarriage:
 - Inspect prior to entering facility
 - Check C-Beams (support beams). They should be visible.
- b) Outside/Inside Doors:
 - Secure reliable locking mechanisms.
 - Look for different color bonding material.
 - Are there any plates or repairs to the container?
- c) Right Side:
 - Are there any unusual repairs to structural beams?
 - Repairs to the walls on the inside of the container must be visible on the outside.
 - Use hammer to tap side walls. Listen for hollow sound.
- d) Left Side:
 - Are there any unusual repairs to structural beams?
 - Repairs to the walls on the inside of the container must be visible on the outside.
 - Use hammer to tap side walls. Listen for hollow sound.
- e) Front Wall:
 - Blocks and Vents are visible. Use tool to tap front wall. Listen for hollow sound.
 - Range finder/measuring tape can be utilized to front of container when empty to see if there are any false walls. Dimensions of container will be shorter.
- f) Ceiling/Roof:
 - Should be certain height from floor. Blocks and vents are visible.
 - Repairs to ceiling on inside of container should be visible on outside. Use tool to tap ceiling.
- g) Floor:
 - Should be certain height from ceiling Look for unusual repairs.

III. SEAL INTEGRITY PROGRAM:

a) Seal Affixing Process: V V T T:

- Seals must be verified at the factory, port of origin, port of arrival, DC entrance, and Receiving Dock.
- Seal used must be a high security seal on all containers, ISO17712 standard or higher.

V – View seal and container locking mechanism.

V – Verify seal number for accuracy. Compare with shipping documents and look for alterations. Is this the type of seal that is normal for those shipping lines?

T – Tug on seal.

T – Twist and Turn seal to make sure it does not unscrew. Seals are threaded, so they can be unscrewed. These altered seals are reusable throughout the supply chain for multiple attacks.

After container/seal passes inspections, container can be opened. Seals should be kept for investigative purposes.

After container is opened, a quick inspection of the inside of the container should be conducted. If contraband is found, close container doors and contact a Factory Supervisor and Freight Forwarder.

b) Container Inspection Checklist:

The Container Inspection Checklist included, must be completed for all empty containers entering the Vendor's premises to be loaded with Products destined for export to Academy. Upon completion, the checklist should be signed by a representative of the Vendor, and maintained with the Vendor's shipping file for at least one year. The checklist is subject to audit by Academy or its representatives. Please see **Exhibit 1 of Appendix 2.**

c) Container Inspection Incident Response:

The Container Inspection Incident Response Form included as **Exhibit 2 of Appendix 2** must be completed (i) in the event that an unacceptable condition or unmanifested material is found during a container inspection and the container is not approved for stuffing, and/or (ii) upon receipt of a loaded container, to verify the integrity of the seals and to confirm and record any changes in the structure of the container or to record whether any unmanifested materials are discovered with the shipment. Upon completion, the form should be signed by a representative of the Vendor, and maintained with the Vendor's shipping file for at least one year. The checklist is subject to audit by Academy or its representatives.

APPENDIX 2 - EXHIBIT 2 (Container Inspection Incident Response Form)

JAN-16-2006 14:42 ACADEMY SPORTS & OUTDOORS 281 646 8507 P.01/01

Academy, Ltd. Container Inspection Incident Response <small>(To be completed and filed locally in the event that an unacceptable condition or unmanifested material is found during a container inspection and the container is not approved for stuffing, and to be utilized upon receipt of a loaded container to verify the integrity of the seals and to confirm and record any changes in the structure of the container or to record if any unmanifested materials are discovered with the shipment.)</small>	
Date:	Container #:
Shipping Manifest #:	Inspector, Name Inspector Signature
Carrier Seal Number#	Cable Seal Number#
Other Seal Number#	Other Seal Number#
Type of Incident and Response	
Type of Incident and Recommended Response	Actual Response and Resolution
Evidence of Container Tampering (e.g. New Paint or recent weld repair) – Recommended response: A more detailed inspection of the container, looking for false wall including measuring the container to verify there is no false compartment prior to loading.	
Unmanifested Material (e.g. People, personnel, weapons of mass destruction, drugs or contraband discovered) Recommended response: If there appears to be a weapon of mass destruction, other unsafe material or contraband in the container, call local law enforcement or a hazardous material response team, notify senior company management and senior management who will notify the local authorities and customs and await further instructions. If there is an apparent immediate threat, evacuate the immediate area.	
Not Watertight or Unsafe structure: Recommended response: If the container appears unsafe or not watertight, the container should not be used, but tagged for repair.	
Locking Mechanisms Broken Recommended response: If the container cannot be properly sealed and secured, the container should not be used. Tag container for repair.	
Seal Numbers not matched: Recommended response: If the seal attached to the container does not match the shipper's documents or the ASN, an investigation and report to CBP may be warranted. Documents should be reviewed to ascertain if the new seals are the result of a CBP inspection or other custodians may have added/changed the seals, or if there is no resolution for the new seals, further investigation and reports may be warranted.	

APPENDIX 3

GLOBAL SOURCING REQUIREMENTS AND CODE OF VENDOR CONDUCT

Academy Sports + Outdoors (“**Academy**”) is committed to legal compliance and ethical business practices in all of its global sourcing operations. Academy conducts its global sourcing operations only with reputable vendors and factories that are committed to comply with all laws and regulations applicable to their business and these Global Sourcing Requirements and Code of Vendor Conduct (this “**Code**”), which set forth the requirements that all vendors and factories (collectively, “**Vendors**”) must follow in order to conduct business with Academy. This Code covers all manufacturers and manufacturing subcontractors, including, but not limited to, those performing cutting, sewing, printing, embroidery, finishing, dying, laundry or any other manufacturing process that is subcontracted to complete a finished product, as well as manufacturers who sell packages, i.e. completed garments – whether Landed Duty Paid or Delivered Duty Paid.

1. Compliance with U.S. Laws Regarding Importation of Merchandise into the United States:

- 1.1 Vendors must comply with all the Import and Export Regulations of U.S. Customs and Border Protection, the U.S. Department of Commerce and all other U.S. government agencies, all U.S. state laws, and all of the Vendor’s country’s import and export regulations.
- 1.2 Academy will not tolerate any activities that are in violation of U.S. customs laws, international treaties or non-U.S. laws, including, but not limited to, false declarations of country of origin or other false documentation, counterfeit visas or illegal transshipment to evade the textile quota restraint agreements negotiated between the country of export and the United States, should such an agreement be in place.

Note: All production must be performed in the country of origin, and by the Academy approved factory provided by the Vendor and stated on the Academy Purchase Order.

- 1.3 All Merchandise will be accurately marked or labeled with its correct country of origin, in compliance with the laws of the United States and those of the country of manufacture, and correctly labeled with: accurate fiber content breakdown, registration number, care label instructions, production dates, tracking numbers, and any other requirements of the U.S. Federal Trade Commission and Consumer Product Safety Commission.
- 1.4 Vendors must make all merchandise shipments with the appropriate documentation issued by the proper governmental authorities, including, but not limited to, visas, import licenses and quota allocations, and must comply with orderly marketing agreements, voluntary restraint agreements, and any other agreements in accordance with U.S. law. The accompanying shipment documentation must meet all Academy and U.S. Customs documentary requirements. Among other documents, Vendors must include a commercial invoice that is in compliance with the Customs Regulations Title 19, Part 141.86— Contents of Invoices and General Requirements, which must accurately describe all the merchandise contained in the shipment, identify the country of origin of each article contained in the shipment, and must list all payments, whether direct or indirect to be made for the merchandise, including, but not limited to, any assists, selling commissions, or royalty payments, to be able to properly determine the price paid or payable, or the value of the merchandise.
- 1.5 Academy requires that its foreign Vendors and its U.S. Vendors of imported merchandise supply a manufacturer’s certificate signed by an officer of the manufacturer, for each shipment of foreign-produced merchandise. The manufacturer’s certificate must certify to Academy that the merchandise was manufactured at the assigned and approved factory, identified by name, location, and country, and that neither convict, forced nor indentured labor, nor illegal child or underage labor, nor labor obtained through slavery or human trafficking, was employed in the manufacture of the merchandise, and that

material incorporated into the merchandise complies with the laws regarding slavery and human trafficking of the country or countries in which the manufacturer does business.

2. Legal Requirements:

Vendor must comply with all applicable laws of the countries in which the Vendor is doing business, including laws relating to employment, the environment, safety, the apparel industry and any related fields.

3. Health and Safety/Working Conditions:

Academy expects that Vendor must provide its employees with safe, clean, and healthy conditions throughout all work and residential facilities, including fire exits, adequate medical facilities, well-lit and ventilated production areas, clean restrooms, a cafeteria and/or lunchroom facility, and well-maintained machinery.

4. Wages and Hours:

Vendor must ensure that employees are compensated fairly for all hours worked and at rates that meet local laws and industry standards, including hourly wage rates, overtime and any incentive (or piece) rates, etc. Vendor must provide paid annual leave and holidays as required by local laws or which meet the local industry standards. While overtime may be necessary, Academy requires that Vendors limit overtime to a level that ensures humane and productive working conditions.

5. Employment Practices:

5.1 Discrimination:

Academy recognizes and respects cultural differences found in the worldwide market. However, Academy believes that Vendors should employ workers on the basis of their ability to do the job, not on the basis of their race, religion, national origin, political affiliation, marital status or gender.

5.2 Disciplinary Practices:

Academy will not condone any type of corporal, mental, or physical punishment by a Vendor, or any sexual harassment.

5.3 Child or Underage Labor:

5.3.1 Academy does not tolerate the use of child or underage labor. Vendors must comply with all applicable minimum working age laws. Vendors must not employ or use persons younger than the age of 14, for any reason, regardless of the laws, regulations, customs or guidelines of the country of origin.

5.3.2 Vendor must maintain official documentation for every employee that verifies the worker's date of birth. In countries where official government documents are not available to confirm the exact date of birth, Vendor must confirm age using an appropriate and reliable assessment method.

5.4 Juveniles:

5.4.1 Any person under the age of 18 years is considered a juvenile.

5.4.2 Vendors must comply with all local legal requirements or International Labor Organization guidelines applicable to the work of authorized juvenile workers, particularly those pertaining to hours of work, wages, working conditions and education.

5.4.3 Juveniles may not undertake hazardous work or be present in any hazardous working areas. Hazardous work is defined as work that, by its nature, or the circumstances in which it is carried out, presents a substantial possibility of harm to the health or safety of the worker if adequate protections are not taken.

5.4.4 Juvenile workers must be allowed to complete any compulsory education required by local law in

the country of origin.

- 5.4.5** Vendors must not allow any juveniles under the age of 14 to be present in a factory working area, unless that juvenile is in an appropriate child care facility.

5.5 Forced Labor and Human Trafficking:

Academy will not knowingly conduct business with, or purchase materials and/or products trafficking or slavery. Vendors must not use involuntary labor of any kind, including prison labor, debt bondage, and forced labor, labor that is required as a means of political coercion or as punishment for holding or for peacefully expressing political views. Vendors are responsible for ensuring that any sub-contractor adheres to this requirement.

6. Environmental Practice:

Vendors must comply with all national and local environmental laws applicable to air emissions, waste handling and disposal, water use, wastewater discharges, and hazardous and toxic substances.

7. Product Quality:

Vendors must share Academy's commitment to product quality and to maintaining the operating practices necessary to meet Academy's quality standards.

8. Ethical Practice:

- 8.1** Academy believes in conducting all business activities with honesty, fair dealing and in conformity with high ethical standards wherever it operates. Academy will not make or condone illegal payments or other facilitating payments, nor will it involve itself in activities or practices of questionable ethical standards.
- 8.2** Vendors must not tolerate, permit, or engage in bribery, corruption or unethical practices whether in dealings with public officials or individuals in the private sectors. Vendors must conduct business in compliance with all applicable laws and must avoid in engaging in any activity which could be deemed a corrupt and/or unethical practices. Vendors must maintain integrity, transparency and accuracy in all records of matters relating to their business with Academy.

9. Sub-Contracting:

Vendors must not retain sub-contractors without prior written consent from Academy. In addition, all sub-contractors permitted by Academy must comply with this Code. Vendors will remain responsible for ensuring their sub-contractors comply with this Code.

10. Home Workers:

Vendors must not allow workers to engage in any form of "home worker" or "work from home" program without prior written consent from Academy. Any home workers permitted by Academy must comply with this Code. Vendors will remain responsible for ensuring their home workers comply with this Code.

11. Freedom of Association:

Vendors must respect the right of their workers to choose (or not choose) to freely associate and to bargain collectively where such rights are recognized by law.

12. Confidentiality and Intellectual Property:

All Vendors must maintain the confidentiality of information entrusted to them by Academy. Vendors must respect and protect Academy's intellectual property rights and maintain the confidentiality of Academy's trade secrets and other proprietary information which includes any information that is nonpublic or not easily

obtained or determined. Vendors must not use stolen or misappropriated technology.

13. Monitoring:

- 13.1** Academy will undertake affirmative measures to monitor compliance with the requirements of this Code, such as scheduled or unannounced on-site inspection of Vendor's/sub-contractor's production facilities. Vendors must allow Academy's representatives full access to the Vendor's/sub-contractor's production facilities and books and records, and respond promptly to reasonable inquiries by Academy's representatives concerning the operations of the Vendor's or sub-contractor's facilities.
- 13.2** Any vendor who denies access to Academy or third-party auditors acting for Academy will receive a penalty Chargeback, and may be subject to loss of future business and other remedies available to Academy.
- 13.3** Academy reserves the right to cancel all current purchase orders and terminate business with any Vendor and their sub-contractors found to be in violation of any of the above standards.

14. Communication of Requirements:

Vendors must take appropriate steps to ensure the requirements of this Code are communicated to employees, and any approved sub-contractor employees, in a place readily accessible to employees and in the local language, at all times.

Academy reserves the right to amend or revise the Global Sourcing Requirements and Code of Vendor Conduct from time to time and all amendments and revisions are effective immediately upon posting. Academy will make the most recent version of the Global Sourcing Requirements and Code of Vendor Conduct available to Vendors on Academy's external vendor website. Vendors must review the Global Sourcing Requirements and Code of Vendor Conduct from time to time to ensure they are in compliance.

(COMPLETE, SIGN, AND RETURN)

Vendor Acknowledgement and Agreement:

Vendor or its sub-contractor may be requested from time to time to execute and deliver the following acknowledgement and agreement:

_____ (“**Vendor**”), having its principal address at _____, hereby acknowledges and agrees that it received and understands Academy, Ltd. d/b/a Academy Sports + Outdoors’ (“**Academy**”) Global Sourcing Requirements and Code of Vendor Conduct. Vendor has read the terms and conditions set forth in Academy’s Global Sourcing Requirements and Code of Vendor Conduct and understands that its business relationship with Academy is based upon Vendor being in full compliance with such terms and conditions. Vendor further acknowledges and agrees that its failure to abide by any of the terms and conditions stated in Academy’s Global Sourcing Requirements and Code of Vendor Conduct may result in immediate cancellation by Academy of all outstanding orders, as well as termination of future business. As a corporate representative of Vendor, the undersigned acknowledges, accepts, and agrees on behalf of Vendor to abide by the terms and conditions set forth in in Academy’s Global Sourcing Requirements and Code of Vendor Conduct.

Printed Name of Officer of the Vendor: _____

Signature of the Officer of the Vendor: _____

Title of the Officer: _____

Vendor Name: _____

Address: _____

APPENDIX 4
MARKING REQUIREMENTS FOR MUTILATED SAMPLES – 9811.00.60: 1

1. WEARING APPAREL

Apparel samples must be marked, torn, perforated, or otherwise treated so that they are unsuitable for sale or for use otherwise than as a sample in its imported condition.

- a. section may be cut or torn from the main body of the garment. This cut must be on the outside of the garment and visible and should not be on a seam or border. The size of the cut or tear should be at a minimum of 2 inches in length; OR
- b. The item may be marked with the word “SAMPLE” in *indelible ink or paint*. The size of the word “SAMPLE” should be at least 1 inch in height and not less than 2 inches in length. The word “SAMPLE” should be placed in a prominent area of the garment which will be visible when worn and in a contrasting color to the garment.

NOTE: The definition of an indelible marking is that which is incapable of being erased or obliterated. Markings in chalk or whiteout are two types of markings that do not meet that definition.

A. HATS AND GLOVES

The inside of the hat must be *indelibly* stamped or marked with the words “SAMPLE—NOT FOR RESALE”. This stamp must be in contrasting color to the article and marked on the underside of the bill of the cap, or other conspicuous location in one-inch block letters and physically placed on the article itself. Gloves must be stamped or marked on the inside near where the label would be located.

B. FABRICS (CONTINUOUS LENGTHS OR ROLLS NOT EXCEEDING TWO YARDS IN LENGTH)

The fabric or piece goods may be marked or perforated with the word “SAMPLE” at intervals of one-half yard for the entire length (total length not to exceed two yards). The size of the word “SAMPLE” should be at least 1 inch in height and not less than 5 inches in length and be placed at a perpendicular angle across the fabric. The word “SAMPLE” must be on the face or the front of the fabric and in a contrasting color to the fabric. *If ink is used, it must be indelible ink.*

NOTE: Fabric or piece goods over two yards in length even if they are marked would not qualify for treatment under HTSUS 9811.00.60.

C. FABRIC SWATCHES

- a. A section or hole may be cut in the main body of the fabric swatch. The size of the section or hole should be approximately 1 inch in diameter.

NOTE: The cut size may be sufficient to be considered a sample and therefore not require a section or hole to be cut in the fabric swatch; however, the facts of the importation should be considered, particularly the end use, which may lead to the determination that the swatches can be used in the condition imported and thus are not samples. The maximum size for a fabric swatch, which need not be cut or marked, is 8 inches by 8 inches. Any size larger must be cut or marked.

- b. the fabric swatch may be marked with the word “SAMPLE” in *indelible ink or paint*. The size of the word “SAMPLE” should be at least 1 inch in height and at least 2 inches in length and in a contrasting color to the swatch.

2. FOOTWEAR

One-fourth inch hole drilled in the sole of each shoe would be the minimum acceptable method of mutilating. Sample should also be marked “SAMPLE” in *indelible ink* in a conspicuous place.

3. HARD-GOODS

Any reasonable method of marking, whether by printing, stenciling, branding, labeling, by means of die stamping, cast-in-mold lettering, etching, engraving, or continuous paint stenciling, stating the word “SAMPLE” may be used to mutilate hard-goods. *If ink is used, it must be indelible ink.* The size of the word “SAMPLE” should be at least 1 inch in height and not less than 5 inches in length and in a conspicuous place on the article (or container).

If, because of the nature of an article, it is technically or commercially infeasible to mark it by one of the above methods specified, the article may be marked by an *equally permanent method* of marking or, in the case of small diameter pipe, tube, and fittings, by tagging the containers or bundles.

4. OTHER TEXTILE ARTICLES

Depending upon the article involved, a hole, cut, tear, may be used or indelible ink stamping or marking of the word “SAMPLE”. The size of the word “SAMPLE” should be at least 1 inch in height and not less than 5 inches in length. The hole, cut, or stamp shall be on the outer surface of the article and in a location, which is visible, when the article is in use. *If ink is used, it must be indelible ink.* When stamping or marking is used, it should be in a contrasting color to the article on which it is placed. See above requirements for wearing apparel.

5. GENERAL REQUIREMENTS

- a. Samples valued at or less than \$1.00 (duty free): No duty is owed if samples are mutilated and valued at or less than \$1.00 per unit under HTSUS #9811.0060.
- b. Samples valued over \$1.00: The samples must be properly marked, torn, perforated or otherwise treated prior to arrival in the United States so that they are unsuitable for sale or for use except as commercial samples.

In both cases, these samples are to be used in the United States for soliciting orders by persons importing such Merchandise in commercial quantities.

6. INVOICES (i) The Commercial Invoice must be annotated with the statement: “MARKED SAMPLE---NOT FOR RESALE”, HTS 9811.00.60, OR: “MUTILATED SAMPLE—NOT FOR RESALE”, HTS 9811.00.60, depending on the type of marking. The invoice must be annotated with this notation prior to importation into the United States and (ii) the Merchandise must be properly marked prior to importation to the United States. Merchandise cannot be marked to conform to the above requirements after its arrival into the United States.

APPENDIX 5

IMPORT DOCUMENT REQUIREMENTS

ACADEMY SPORTS + OUTDOORS DOCUMENT CHECKLIST

Date:

Manufacturer/ Factory Name:

Vendor Name:

Vessel Name (To be completed by the Freight Forwarder):

Purchase Order #(s):

Bill of Lading or AWB # (To be completed by the Freight Forwarder):

THIS DOCUMENT CHECKLIST MUST BE COMPLETED BY ALL PARTIES BELOW:

FACTORY:

PLEASE COMPLETE THE “FACTORY” COLUMN BY MARKING EACH BOX WITH A ✓ OR “NA” (NON APPLICABLE/ DOES NOT APPLY). YOUR COMPLETED CHECKLIST IS TO BE SUBMITTED TO THE FREIGHT FORWARDER AS PART OF YOUR DOCUMENT PACKET WITHIN 72 HOURS OF VESSEL SAILING.

FREIGHT FORWARDER:

PLEASE COMPLETE THE “FORWARDER” COLUMN BY MARKING EACH BOX WITH A ✓ OR “NA” (NON APPLICABLE/ DOES NOT APPLY). YOUR COMPLETED CHECKLIST IS TO BE SUBMITTED/ SCANNED TO THE BROKER WITH COMMERCIAL DOCUMENTS.

BROKER:

PLEASE COMPLETE THE “BROKER” COLUMN BY MARKING EACH BOX WITH A ✓ OR “NA” (NON APPLICABLE/ DOES NOT APPLY). THIS CHECKLIST IS TO BE SCANNED AND INCLUDED IN THE ENTRY PACKET TO ACADEMY.

FOR DETAILED INSTRUCTIONS, PLEASE REFER TO ACADEMY’S SMART GUIDE LOCATED AT VENDOR.ACADEMY.COM.

NOTE . . . For each set of Commercial Documents all of the below marked “required” must be provided.

Factory	Forwarder	Broker	
Signed Commercial Invoice (Required)			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Consigned to or sold to Academy, Ltd.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item description for each Academy VPN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Import description for each Academy VPN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FOB cost per unit matches Academy's Purchase Order
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Contains Academy's Purchase Order #
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FOB Shipping Point matches Academy's Purchase Order
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Manufacturer/ Factory name and address must be provided at the bottom of the Commercial Invoice (Even if the manufacturer/ factory is the invoicing party)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Country of Origin - Must match manufacturer/ factory address location.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Contains no wood packing material clause
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Total carton count must match Packing List
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A Buying Agent Statement required (for Buying Agents only)
Detailed Packing List (Required)			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Show quantity shipped per item, gross weight, and net weight by carton/ item/ VPN. Include net weight breakdown for textile by carton and VPN and for total shipment. Must include # of cartons and size breakdown by carton. Total cube by item and shipment provided.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Carton count matches container load manifest(s) quantity
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FIREARMS ONLY: Must identify the serial # in each sequential numbered carton

Factory	Forwarder	Broker	
Forwarder's Cargo Receipt (Required)			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Original consigned to Academy
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Original signed by Forwarder
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marked Freight Collect
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Provides estimated time of departure
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Provides method of shipment (CFS or CY)
Certificate of Origin (Required)			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Signed by the exporter and a foreign government agency that certifies to the best of its knowledge that the products are products of the country specified by the exporter
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Must have an original signature and stamp from the foreign government agency, where applicable
Manufacturer's Certificate (Required)			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Indicates a specified factory, identified by name, location and country
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Certifies that the merchandise was manufactured at the assigned and approved factory in compliance with Academy's Global Sourcing Requirements and Code of Vendor Conduct, and that neither convict, forced nor indentured, nor illegal child or underage labor, nor labor obtained through slavery or human trafficking was employed in the manufacturer of Academy merchandise.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Original signature from an officer of the manufacturer
Business Rule Form (Required)			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Business Rule Form from ClearTrack required for all shipments
Final Quality Inspection Certificate (Required)			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Signed and dated by Factory Quality Assurance Manager
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Inspection date must be prior to shipment date
Container Load Manifest (Required)			
<input type="checkbox"/>			Vendor Loaded Containers - Copy of the CLM is attached (in a pouch) to a tail loaded carton in the container prior to closing the doors.
	<input type="checkbox"/>		Less than Container Loads - Copy of the CLM is attached (in a pouch) to a tail loaded carton in the container prior to closing the doors.
<input type="checkbox"/>			Data is loaded into Freight Forwarder's online booking system
Textile Export License w/ Visa Stamp or Visaed Document			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The quantity and weight on visa (for weight, i.e. kilograms) must match the Commercial Invoice and Packing List
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Manufacturer Declaration Box - Name of company must match the name of the manufacturer on the Textile Country Declaration (Single or Multiple)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Visa # must have the year the product was exported from the country of origin
Textile Country Declaration (Single or Multiple)			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Note . . . All shipments containing textile articles require a textile declaration. Single Country Textile Declaration is acceptable for articles wholly manufactured in one country or territory. A Multiple Country Textile Declaration is required for articles containing components from two or more countries. Textile Declarations must also show date of export from their foreign country.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shows country or countries where articles are wholly the growth, product of, or manufacture of
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Original signature and date
Interim Footwear Detail Sheet (IFI)			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Copy Included with documents

Factory	Forwarder	Broker	
			Sunglasses
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Impact Resistance Certificate
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FDA Listing #
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Medical Device #
			Rawhide Dog Chews
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Veterinary/ Health Certificate
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Production Process List
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Certification of Irradiation
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Factory FDA Registration #
			Lacy Act
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PPQ 505
			Batteries
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Certificate (in English) for safe transport of chemical goods

All exceptions must be reported by the Forwarder to Academy immediately. Original Forwarders Cargo Receipt is not to be issued until discrepancies are approved or revised documents received. Freight Forwarder must check that all **required** documents are provided as noted above.

Signature/ Date (Factory)

Signature/ Date (Forwarder)

Signature/ Date (Broker)

APPENDIX 6

DIRECT IMPORT SHIPMENT PAYMENT INSTRUCTIONS

Once shipment has been effected, please compile the following documents for payment:

1. One copy of manually signed commercial invoice, in English, stating manufacturer's name and address, terms of sale, country of origin, quantity shipped, unit cost, purchase order number, VPN number, and item number, a detailed description, including the import description, invoice number and invoice date. Invoice must include one of the following certifications:

- I, the exporter, certify that this shipment is in compliance with U.S. 7 CFR part 319 and ISPM no.15.
- or-
- I, the exporter, certify that this shipment does not contain wood packing material.

If a buying commission is applicable, the commercial invoice must also state:

- A buying commission of ___ percent is payable to _____ and is not dutiable and is not included in the invoice price.

For textile shipments, the commercial invoice must state a full detailed description of the garment, including fiber content by percentage breakdown, gender, and whether the garment is made of knitted or woven fabric.

2. One copy of detailed packing list indicating:

- Quantity and size breakdown by VPN/carton.
- Net weight, gross weight and cube breakdown by VPN/carton.
- Total cartons, net weight, gross weight and cube breakdown for shipment.
- For textile shipments, packing list must also include the net net weight breakdowns.

3. One copy of final quality audit/inspection certificate manually signed and issued by factory QA manager and dated prior to shipment date.

4. Original signed Forwarders Cargo Receipt issued by Yusen Logistics, consigned to Academy, Ltd., marked Notify Party: Livingston International, 5775 N. Sam Houston Pkwy. West, Suite 150, Houston, TX 77086, Attn: Imports marked Freight Collect and indicating place of delivery as Katy, TX, Jeffersonville, GA, Savannah, GA or Cookeville, TN. FCR's must indicate purchase order numbers. For shipments from Bangladesh and Pakistan, we must receive 2/3 set original marine bills of lading consigned or endorsed to the order of Academy, Ltd. in addition to the FCR.

5. Original cover letter stating total amount being claimed and wire transfer instructions for remitting payment.

Please have the above documents sent via courier to:

Academy, Ltd. 1540 N. Mason Road, Katy, Texas 77449 USA, Attn: Accounts Payable Imports

Originals of all documents should be handed over to freight forwarder in exchange for the ORIGINAL, SIGNED FORWARDERS CARGO RECEIPT (FCR) needed to claim payment. Copies of all documents along with ORIGINAL, SIGNED FCR are required to be sent to Academy for payment. ***We cannot pay against emailed documents.***

Upon receipt of documents, they will be examined for conformity with the purchase order and payment will be effected via wire transfer at the respective due date.

Inquiries may be addressed to accounts payable import staff using email address:

apimports@academy.com.

APPENDIX 7 VENDOR INSURANCE REQUIREMENTS

Requirements Regardless of Category:

- A. Products included in Appendix 7 are representative products found in the retail market. If a product was excluded in a lower category, its insurance requirement would fall into the next higher limit category. Consider the following Category 1 example:
- Apparel and apparel accessories (excluding infant, children's sleepwear)
Apparel falls into the Category 1 insurance requirements; however, infant and youth apparel are excluded and would consequently fall into the Category 2 insurance requirements.
- B. The products that appear in Appendix 7 are not an exhaustive list of products. If you are unable to determine which category your product may fall into, please contact your Academy Buyer for further assistance.
- C. Vendors that supply products in more than one category must provide the higher insurance limits of the two categories.

Insurance requirements are subject to change without notification.

Category 1 Commercial General Liability including Products Liability USD \$ 2,000,000 per Occurrence, \$4,000,000 Aggregate

- Aerobic rebounders
- Apparel and apparel accessories (excluding infant, children's sleepwear)
- Automotive and boating accessories
- Bags, wallets, handbags
- Balls and ball games (excluding basketball systems)
- Baskets
- Batteries-Non rechargeable and less than 12 volt
- Beverages
- Cameras and camera accessories
- Decorations (non-electric)
- Clocks
- Cooking appliances (excluding outdoor appliances such as camp stoves, etc.)
- Detergents (household)
- Fans (battery, excludes electric)
- Fishing equipment (rods, reels), accessories, and bait
- Food (including health supplements)
- Furniture, non-collapsible (excluding ladders/stools, folding/collapsible furniture)
- Games and puzzles (including game tables)
- Glassware, tableware, cutlery (non-electric)
- Gloves
- Hair accessories
- Hats and caps
- Holiday novelty items (non-electric)
- House wares (non-electric, including pots and pans, excluding frying pots)
- Household decoration items (non-electric)
- Kitchen utensils (non-electric)
- Lanterns (battery operated, excludes electric and fuel-powered lanterns)
- Lawn furniture – stationary, non-collapsible, non-folding

- Light bulbs (excluding CFL or fluorescent)
- Linens and towels
- Locks
- Luggage
- Novelty gifts / Gag gifts, etc. (excluding candles/candles sets, lighters of any kind) such as gift sets, collectibles, seasonal/holiday gift sets
- Personal care products - such as lotions, shampoo, deodorants, toothpaste, mouthwash, etc.
- Pet and animal supplies (pet apparel, pet or animal food, pet accessories, and pet chews)
- Shoes and boots (excluding protective footwear such as steel toe, composite toe or snake proof)
- Sleeping Bags (excluding Kids sleeping bags)
- Soccer Shin Guards
- Sports and fitness equipment – non-electric (excluding bicycles, tricycles, life safety and protective equipment)
- Stationery and paper products
- Sunglasses
- Tools (non-powered) and hardware
- Toys- non-electric and non-rechargeable toys (excluding infant toys, projectiles, launching items, ride-in/on items)
- Umbrellas (personal use)
- Watches
- Body boards and boogie boards (no wheels)

Category 2

Commercial General Liability including Products Liability USD \$ 5,000,000 per Occurrence, \$5,000,000 Aggregate

- Airsoft/Paintball Guns
- Apparel – infant, children’s sleepwear
- Bar-B-Que Grills - charcoal (excluding propane and other gas); fire pits
- Basketball systems
- Batteries- electric and/or rechargeable, larger than 12v, lithium
- Bicycles and tricycles
- Boots - such as steel toe, composite toe, snake proof
- Camping stoves (propane), lanterns (electric)
- Candles, candle-sets (includes electric)
- Containers intended to hold gasoline, oil, coolant, and chemicals
- Electric items (that plug in, not specifically addressed in Category 3)
- Firearms Accessories (excluding firing accessories)
- Floatation devices
- Food Processing equipment (grinders, slicers, food dehydrators)
- Furniture lawn/garden patio- collapsible items such as loungers and offset umbrellas
- Fry pots (stainless steel)
- Generators
- Goggles
- Kayaks / Canoes
- Knives, blades, machetes, multi-tools
- Ladders (excluding tree stands and deer stands)
- LED, CFL, Fluorescent lights
- Lighters and matches
- Non-lethal protection (Taser, mace)

- Oil, coolant
- Personal Protective Equipment
- Pool and marine chemicals, cleaning chemicals
- Power tools
- Scooters, hoverboards, skateboards, casterboards, longboards
- Skates
- Sports and fitness equipment – electric, collapsible, folding items, inversion tables, protective equipment
- Stools, folding/collapsible furniture, canopies
- Swimming pools
- Swing Sets, bounce houses, playground equipment
- Toys-electric and/or rechargeable toys (including infant toys, projectiles, launching items, ride-in/on items)
- Smokers, electric (excluding propane)
- Sleds
- Sleeping bags (kids)
- Tents
- Boat motors

Category 3

Commercial General Liability including Products Liability USD \$10,000,000 per Occurrence, \$10,000,000 Aggregate

- Ammunition and arrows
- Bar-B-Que Grills (propane, natural gas)
- Firearms, bows, and crossbows
- Heaters (including gas and electric)
- Propane, kerosene, butane, camp fuel
- Towables
- Turkey Fryers / Gas Burners
- Trampolines
- Tree and deer stands (hunting), Tree ladders

Provide this information to you Insurance Broker

- A.** Insurance carrier(s) must be at least “A- VII” rated according to A.M. Best or another insurance rating industry authority, reasonably acceptable to Academy.
- B.** Territory and Jurisdiction: Coverage territory including U.S., territories and possessions, Canada and the country in which the product is manufactured or purchased by the Vendor.
- C.** The Certificate Holder must be listed as Additional Insured on the Vendors Form CG 2015 or equivalent, and provide a Waiver of Subrogation as evidenced with an attached endorsement.
- D.** Vendor’s insurance shall be considered primary, non-contributory, and not excess coverage.
- E.** Commercial General Liability (CGL) including Products and Contractual Liability coverage on an Occurrence-based policy. If coverage is on a claims-made basis, other requirements must be met before it is accepted, including a retroactive date prior to the date products are first purchased by Academy.

Coverage must include:	Category 1	Category 2	Category 3
Each Occurrence	\$2,000,0000	\$5,000,000	\$10,000,000
Personal & Advertising Injury	\$2,000,0000	\$5,000,000	\$10,000,000
General Aggregate	\$4,000,0000	\$5,000,000	\$10,000,000
Products & Completed Operations	\$4,000,0000	\$5,000,000	\$10,000,000
Aggregate			

Refer to Categories 1 – 3 for products and applicable limit requirements.

F. Excess Liability/Umbrella is acceptable to broaden existing primary limits.

G. The Certificate Holder must read:

Academy, Ltd. d/b/a Academy Sports + Outdoors and its parents, affiliates, and subsidiaries
 Attn: Risk Management
 1800 N. Mason Road
 Katy, TX 77449

H. Workers’ Compensation is required if vendor will be entering any Academy location to deliver its products.

Workers Compensation – Statutory Limits
 Employers' Liability minimum of \$1,000,000 per Occurrence

I. Insurance carriers must provide Academy 30 days’ notice in the event of cancellation.

J. Annual renewals of the certificate of insurance must be received by Academy prior to expiration of insurance dates.

K. Any onsite vendor events require a separate contract with Academy.

If a submitted Certificate of Insurance does not comply with the aforementioned requirements, a delay will occur in processing until compliance is met.

APPENDIX 8

ACADEMY, LTD. DROP SHIP VENDOR APPENDIX

This Drop Ship Vendor Appendix (this “**Appendix**”) for Academy, Ltd. d/b/a Academy Sports + Outdoors (“**Academy**”) sets forth the policies and procedures for vendors operating as a drop ship vendor (“**Drop Ship Vendor**”) on or in connection with Academy’s e-Commerce sites, including without limitation, www.Academy.com. This Appendix is governed by and subject to the Academy, Ltd. Terms and Conditions of Purchase (the “**Terms**”). Academy and Drop Ship Vendor are each referred to herein as a “**Party**” and collectively as the “**Parties**.” Notwithstanding Section 3.1 of the Terms, in the event of any inconsistency between the terms and conditions set forth in the Terms and the terms and conditions set forth in this Appendix, the terms and conditions in this Appendix shall control.

* * *

1. **DEFINITIONS.** Unless otherwise defined herein, capitalized terms used herein without definition shall have the meanings given to them in Schedule 1. Any capitalized terms used herein without definition shall have the meaning ascribed to them in the Terms.

2. **E-COMMERCE SITE.**

- 2.1. **Generally.**

- 2.1.1 Except for the services to be provided by Drop Ship Vendor, as between Academy and Drop Ship Vendor, Academy will be solely responsible for all operating functions of the Academy Site, including order and payment processing; order/fraud review; Chargebacks; customer service with respect to the availability and maintenance of the Academy Site; and development, maintenance and hosting of the Academy Site. As between the Parties, Academy will be solely responsible for all fees, costs and expenses incurred in connection with the foregoing functions, including credit card processing fees.

- 2.1.2 Drop Ship Vendor shall process and ship the e-Commerce Orders from Drop Ship Vendor to customers within the Shipment Time Frame (as defined below) for the shipping method selected by the customer as delineated in the e-Commerce Order processing service level appendix (“**SLA**”) set forth on Schedule 4 attached hereto. Notwithstanding the foregoing, Drop Ship Vendor shall comply with all applicable Federal Trade Commission (FTC) mail order rules and any other Legal Requirements with regard to the fulfillment of the e-Commerce Orders. “**Shipment Time Frame**” shall mean the total time spent to process an order, including, without limitation, Drop Ship Vendor processing time of the order, packaging of the product, and receipt by the Academy carrier or other carrier.

- 2.1.3 Drop Ship Vendor shall maintain at least ninety eight percent (98%) or better in-stock product availability at all times for all e-Commerce Merchandise sold through the Academy Site.

- 2.1.4 Drop Ship Vendor shall strictly comply with Academy’s privacy policy as the same may be amended by Academy from time to time. Academy may change its privacy policies posted on the Academy Site or elsewhere at any time whether such changes relate to Drop Ship Vendor’s performance of its obligations hereunder.

- 2.1.5 Notwithstanding anything to the contrary in the Terms, Drop Ship Vendor shall assume all inventory risk and responsibility associated with the e-Commerce Merchandise, except that Academy shall assume all inventory risk in connection with returned e-Commerce Merchandise (other than e-Commerce Merchandise returned due to a recall, a failure of the e-Commerce Merchandise to conform to the Agreement or Drop Ship Vendor’s breach of the Agreement).

3. **E-COMMERCE MERCHANDISE.**

- 3.1. **Merchandise Assortment.** Drop Ship Vendor agrees that the list of items included in the Academy, Ltd. d/b/a Academy Sports + Outdoors - Terms and Conditions of Purchase

assortment for sale on the Academy Site may be modified at any time by Academy. The items that will be in the assortment will be selected at the discretion of Academy. The Parties acknowledge and agree that the assortment of e-Commerce Merchandise offered for sale on the Academy Site shall be determined by Academy in its sole and absolute discretion And that Academy may remove any or all e-Commerce Merchandise of Drop Ship Vendor from the Academy Site from time to time in its sole discretion.

- 3.2. **Merchandise Descriptions.** Drop Ship Vendor will provide to Academy (or to the Designated Site Operator, on behalf of Academy) images and descriptions for all e-Commerce Merchandise to be made available for sale on the Academy Site and fulfilled by Drop Ship Vendor as contemplated hereunder. In addition, Drop Ship Vendor shall send samples of such e-Commerce Merchandise to the Academy sample center as directed by Academy in accordance with Section 8.1 of the Terms.
- 3.3. **Seller of Record.** As between Drop Ship Vendor and Academy, Academy will be the seller of record for all e-Commerce Merchandise made available for sale on the Academy Site. Accordingly, Academy will be independently responsible for (a) establishing the selling price for such products and related customer fulfillment services (e.g., shipping and value added services), (b) determining whether any sales or use tax is payable to any governmental authority and, if so payable, the amount of any sales or use tax payable, and (c) withholding, collecting and remitting to the appropriate governmental authority any sales or use tax that is payable, unless the Parties otherwise agree.
- 3.4. **Customer Service.** Drop Ship Vendor will be responsible for providing the customer service regarding e-Commerce Merchandise and e-Commerce Orders reasonably requested by Academy, at no cost to Academy.
- 3.5. **Information Exchange.** Academy and Drop Ship Vendor shall exchange data on a regular basis in order to monitor the overall business activity of the Academy Site either directly with Academy or through Radial in the manner and the format designated by Academy. At a minimum, the Parties agree to exchange requested information on a daily basis. The Parties acknowledge and agree that critical data may be required to be exchanged by the Parties several times per day, in particular from October through December of each year during the Term. Drop Ship Vendor hereby agrees to cooperate with Academy with regard to any and all requests for information and data submitted by Academy or Radial to Drop Ship Vendor. If requested by Academy, the Parties shall maintain the following integration points outbound from Drop Ship Vendor to Academy or Radial: (a) inventory availability report assorted by product- shall contain balances of available-to-sell inventory; (b) inventory balances report assorted by product- shall contain inventory balances of all inventories - sellable, un-sellable, damaged, etc.; (c) inventory receipts report assorted by product- shall contain e-Commerce Merchandise receipt information from distribution centers including purchase order and receiving information; (d) inventory adjustments report assorted by product - shall contain inventory adjustments performed in the Drop Ship Vendor distribution center not related to receiving or shipments; and (e) open e-Commerce Order backlog report assorted by product.

4. **E-COMMERCE ORDERS.**

- 4.1. **e-Commerce Order Processing.** Academy will (or will cause the Designated Site Operator to) process all e-Commerce Orders and transmit e-Commerce Orders to Drop Ship Vendor. Unless otherwise agreed upon in writing by the Parties, Academy will (or will cause the Designated Site Operator to) only accept e-Commerce Orders for shipment to locations inside the United States and its territories, APO/FPO addresses. In the event that Academy determines to accept e-Commerce Order for shipment to locations outside of the United States and its territories, Drop Ship Vendor agrees to negotiate in good faith with Academy in connection therewith.
- 4.2. **Radial Requirements.** Drop Ship Vendor shall comply with all of the applicable requirements for

the Radial (including, without limitation, those set forth by Academy's designated Radial operator). Drop Ship Vendor shall comply with all of the Operational Requirements as set forth on Schedule 3. Subject to the requirements set forth on Schedule 3, Drop Ship Vendor will confirm to Academy (or to the Designated Site Operator, on behalf of Academy) Drop Ship Vendor's receipt of such e-Commerce Order, which confirmation will state whether the e-Commerce Order was accepted, rejected due to incomplete or invalid information, rejected due to duplicate order records, rejected due to unavailable e-Commerce Merchandise, or otherwise rejected in accordance with Designated Site Operator's generally applicable practices.

4.3. Fulfillment of Accepted e-Commerce Orders. As between the Parties, Drop Ship Vendor will be responsible for picking, assembling and packaging for shipment of all accepted e-Commerce Orders as set forth in the Terms, and will be responsible for all costs and expenses incurred in connection therewith, except for value added service related costs and expenses that Academy is obligated to pay hereunder. e-Commerce Orders will be packaged in Academy standard outer boxes or bags, as applicable, and with all necessary packing materials (including, without limitation, air pillows, bubble wrap, and/or packing foam, as applicable for the product assortment) in a manner that minimizes void or empty space in the package. Drop Ship Vendor agrees that the shipping label will meet all of the requirements set forth in the Terms and any other requirements provided by Academy. Drop Ship Vendor will fulfill and ship e-Commerce Orders at the facilities approved by Academy and not at any other locations. Drop Ship Vendor will fulfill each e-Commerce Order at the specific facility designated by Academy in such e-Commerce Order. Drop Ship Vendor will fulfill and ship e-Commerce Orders at each facility during such facility's operating hours on such facility's business days on a year-round basis. If any e-Commerce Order is incorrect or incomplete or if there any objects found inside the package that are not part of the e-Commerce Order, then Drop Ship Vendor will promptly resolve such issue, at its expense and in the most timely shipping method available.

4.4. Shipping of Accepted e-Commerce Orders.

4.4.1 Drop Ship Vendor shall group all sortable e-Commerce Merchandise with regard to each e-Commerce Order being shipped to the same address into the fewest number of boxes prior to shipping such e-Commerce Merchandise to the Customer. For the avoidance of doubt, in the event that some sortable e-Commerce Merchandise in an e-Commerce Order is available for shipment prior to other sortable e-Commerce Merchandise in connection with the same e-Commerce Order, Drop Ship Vendor shall ship the e-Commerce Merchandise subject to availability.

4.4.2 Subject to Academy's reasonable approval, Drop Ship Vendor may ship e-Commerce Orders in accordance with its standard shipping procedures and by its preferred vendors. Notwithstanding the foregoing, Academy may require that Drop Ship Vendor ships all e-Commerce Orders by carriers designated by Academy in its sole discretion (i.e., via Academy preferred small parcel carrier and less-than-truckload (LTL) carrier) by providing Drop Ship Vendor with at least thirty (30) days prior written notice and, in such event, **Section 4.4.3** shall apply.

4.4.3 If Academy requires Drop Ship Vendor to ship all e-Commerce Orders by carriers designated by Academy in accordance **Section 4.4.2**, then the following shall apply: Drop Ship Vendor shall ship all e-Commerce Orders utilizing Academy's carriers and rates. Carrier information will be communicated to Drop Ship Vendor by Academy via email. Drop Ship Vendor will set up certain systems with each Academy designated carrier to ensure that all shipments of e-Commerce Orders will be billed to the correct account number. In addition, Drop Ship Vendor will integrate each carrier into its shipping / manifest systems to ensure that tracking information will be attached to each e-Commerce Order and to each subsequent advanced shipment notification (ASN). Drop Ship Vendor will use a specific sub-account number under the Academy master account number with

each carrier.

- 4.4.4** Drop Ship Vendor shall make available to Academy's customers the types of shipping methods in connection with each e-Commerce Order as instructed by Academy. Drop Ship Vendor will ship e-Commerce Orders in accordance with the applicable service level standards set forth in Schedule 4. As between the Parties, title and risk of loss will pass to Academy upon the receipt of the applicable e-Commerce Merchandise by the customer; provided that, with respect to e-Commerce Orders shipped using Academy's designated carrier in accordance Section 4.4.2, title and risk of loss will pass to Academy upon the delivery of the applicable e-Commerce Merchandise to the common carrier at the point of shipment.
- 4.4.5** As set forth in Schedule 4, Drop Ship Vendor will confirm to Academy (or to the Designated Site Operator, on behalf of Academy) the shipment of such e-Commerce Order, which confirmation will confirm that the applicable e-Commerce Order (or portion thereof) has shipped. Such shipping confirmations will be provided by Drop Ship Vendor in the same manner as Drop Ship Vendor provides e-Commerce Order confirmations, subject to the requirements as set forth on Schedule 4, as the same may be amended from time to time by Academy. Additionally, Drop Ship Vendor will provide to Academy (or to the Designated Site Operator, on behalf of Academy) applicable tracking information for shipped e-Commerce Orders. Drop Ship Vendor shall have the ability to provide a unique tracking numbers for each box within an e-Commerce Order, as applicable. In the event that any e-Commerce Order which is fulfilled and shipped by Drop Ship Vendor is undeliverable and returned by the carrier to Drop Ship Vendor, Drop Ship Vendor will contact the Academy Drop Ship Administrator with regard to such returned e-Commerce Merchandise within forty-eight (48) hours after Drop Ship Vendor's receipt of such returned e-Commerce Merchandise from the carrier. In the event that Drop Ship Vendor fails to ship an e-Commerce Order, Drop Ship Vendor shall be responsible to Academy for the shipment, the cost of goods for the replacement order, and any Chargebacks.
- 4.4.6** Drop Ship Vendor will be solely responsible and liable for any Undeliverable Merchandise (as such term is defined below). Drop Ship Vendor will be solely responsible and liable for any e-Commerce Merchandise returned to Drop Ship Vendor, including without limitation any Undeliverable Merchandise (including any packages that are undeliverable or refused when delivered). Drop Ship Vendor will promptly (at Academy's option) expedite shipment of replacement e-Commerce Merchandise to the applicable customer, at no cost to Academy or the customer. Any e-Commerce Merchandise that Academy's customer refuses to accept and/or any e-Commerce Merchandise that cannot be delivered as a result of an incorrect shipping address and/or any e-Commerce Merchandise that is returned to Drop Ship Vendor without customer signature (collectively "Undeliverable Merchandise"), shall be returned to Drop Ship Vendor's inventory. Drop Ship Vendor shall issue a credit to Academy on a dollar for dollar basis in connection with Academy's cost for such Undeliverable Merchandise. Drop Ship Vendor shall contact Academy's and its Designated Site Operator's customer service departments to report any Undeliverable Merchandise that Drop Ship Vendor receives within forty-eight (48) hours of Drop Ship Vendor's receipt of such Undeliverable Merchandise. Vendor will be subject to Chargebacks for failure to report Undeliverable Merchandise to Academy or its Designated Site Operator's customer service department within forty-eight (48) hours. If requested by Academy, Drop Ship Vendor shall provide reports to Academy on a week-by-week basis and on a quarter-by-quarter basis with regard to Undeliverable Merchandise Drop Ship Vendor has received during each reporting week and reporting quarter.
- 4.4.7** Academy may cancel any e-Commerce Order before the carrier picks up the e-Commerce Order for shipment (including canceling e-Commerce Orders to prevent fraudulent

customer e-Commerce Orders), and, unless otherwise agreed to by Academy, Drop Ship Vendor will be solely responsible and liable for any failure to honor any cancellation notice provided by Academy pursuant to the terms and conditions of this Appendix.

- 4.5. **Returns.** Academy currently accepts returns for e-Commerce Merchandise sold through the Academy Sites, provided that such e-Commerce Merchandise is (a) returned within ninety (90) days after receipt by the applicable recipient, and (b) unused and resaleable, actually defective, or damaged during the course of shipment from Drop Ship Vendor to Academy's customer ("**Returnable Products**"). Notwithstanding the foregoing, Academy may modify its returns policies and practices from time to time in its sole discretion. All Returnable Products shall be returned to the distribution center as designated by Academy. As between Academy and Drop Ship Vendor, Returnable Product costs shall be reconciled through the "Return Goods" allowance as set forth in Academy's Vendor Allowance Policies. Drop Ship Vendor will promptly issue a credit to Academy to deduct the applicable amount of the refund or credit for Returnable Products which were actually defective and/or damaged prior to shipment from Drop Ship Vendor to Academy's customer from the amounts invoiced by Drop Ship Vendor. Drop Ship Vendor shall reimburse Academy for any shipping charges incurred by Academy in connection with any returned damaged products.

5. **INVOICING AND PAYMENT.**

- 5.1. Academy shall communicate with Drop Ship Vendor and shall issue e-Commerce Orders in connection with e-Commerce Merchandise, and Drop Ship Vendor shall communicate with Academy and issue invoices to Academy in connection with e-Commerce Merchandise all in accordance with the procedures set forth in Schedule 4 of this Appendix.
- 5.2. After Academy's receipt of a valid, correct and undisputed invoice, Academy shall pay such invoices in accordance with the parties' agreed upon payment terms.
- 5.3. For the avoidance of doubt, under no circumstances may Drop Ship Vendor increase the prices or fees set forth set forth on Schedule 2 or under any other section or schedule to or in connection with this Appendix without Academy's prior written approval. Vendor may not increase a price specified on a Purchase Order without prior written approval from Academy. An approved price or fee increase shall become effective ninety (90) days after Vendor's receipt of such approval, or as may be otherwise approved by Academy in writing. Notwithstanding the foregoing, Drop Ship Vendor acknowledges and agrees that invoices submitted with incorrect pricing may result in a delay in the payment process of such invoices by Academy.

6. **ACCOUNT MANAGERS.** Each Party will assign an account manager (which manager may be subject to change from time to time by the assigning Party upon written notice to the other Party) to oversee the performance of such Party's obligations under this Appendix and to facilitate coordination of the Parties' performance of their respective obligations. The account managers will meet upon such frequency as may be mutually agreed upon during the Term to review the implementation of this Appendix and to explore methods for improving performance.

7. **CUSTOMER INFORMATION.** Drop Ship Vendor shall implement and maintain adequate security measures and safeguards to protect its computer systems and to prevent the unauthorized access, destruction, loss, or alteration of the Customer Information (whether such information is on Drop Ship Vendor's systems or facilities, in transit or being disposed of). As between the Parties, the Customer Information will belong solely to Academy. Without Academy's approval (in its sole discretion), the Customer Information shall not be, (i) used by Drop Ship Vendor or its agents other than in connection with providing the services provided hereunder, (ii) disclosed, sold, assigned, leased or otherwise provided to third parties by Drop Ship Vendor or its agents or (iii) commercially exploited by or on behalf of Drop Ship Vendor or its agents without the prior written consent of Academy. To the extent Drop Ship Vendor acquires any rights in the Customer Information by operation of applicable law, Drop Ship Vendor hereby irrevocably assigns, transfers and conveys to Academy (and Drop Ship Vendor shall cause its agents to

assign, transfer and convey to Academy), without further consideration all of its and their right, title and interest in and to the Customer Information. Upon request by Academy, Drop Ship Vendor shall execute and deliver (and Drop Ship Vendor shall cause its agents to execute and deliver), any other documents that may be necessary or desirable under any Legal Requirement to preserve, or enable Academy to enforce, its rights with respect to the Customer Information. Drop Ship Vendor shall limit the disclosure of Customer Information to the employees and agents of Drop Ship Vendor who have been advised of the proprietary nature of the Customer Information and who have acknowledged the obligation to maintain the confidentiality of the Customer Information in accordance with the terms of this Agreement. Additionally, Drop Ship Vendor shall only disclose to such employees and agents of Drop Ship Vendor the Customer Information that is required for them to provide the services hereunder. Drop Ship Vendor shall, at its expense, promptly correct any errors or inaccuracies in Customer Information and the reports delivered to Academy under this Agreement, to the extent caused by Drop Ship Vendor or its agents. At Academy's request and expense, Drop Ship Vendor shall promptly correct any other errors or inaccuracies in Customer Information or such reports. Drop Ship Vendor shall store the Customer Information in a safe and secure manner and in an electronic format that permits an efficient transfer to Academy. As requested by Academy at any time during the term of this Appendix and promptly upon the expiration or termination of this Appendix, Drop Ship Vendor shall (1) promptly return to Academy, in the format and on the media requested by Academy, all or any part of the Customer Information; (2) provide an electronic copy of any requested Customer Information and/or (3) erase or destroy all or any part of the Customer Information in Drop Ship Vendor's possession, in each case to the extent so requested by Academy. Any archival tapes containing the Customer Information shall be used by Drop Ship Vendor and its agents solely for back-up purposes. Drop Ship Vendor shall be responsible to Academy for any use of the Customer Information by its employees or agents.

8. RECORDS AND AUDITS.

- 8.1. Records and Audit Rights.** Drop Ship Vendor will keep complete and accurate books and records sufficient to verify compliance or non-compliance with the provisions of this Appendix, except as otherwise specified in this Appendix. Drop Ship Vendor will, upon at least fifteen (15) days' prior written request by Academy, allow Academy, or a representative of Academy, to audit such books and records to the extent necessary to verify the amounts payable under this Appendix or in connection with any other obligation of the Parties hereunder. Any such audit shall be conducted during normal business hours and in a manner designed to not unreasonably interfere with the Drop Ship Vendor's ordinary business operations and at Academy's sole cost and expense. Drop Ship Vendor will cooperate with Academy and its representatives in the conduct of such audit. Academy agrees that any information learned by it or its representatives, or disclosed to it or its representatives, in connection with any audit conducted pursuant to this Section will be deemed Confidential Information of Drop Ship Vendor.
- 8.2. Operational Audits.** Upon at least fifteen (15) days' prior written request by Academy, Drop Ship Vendor will allow Academy, or a representative of Academy, during normal business hours and at Academy's expense to inspect any of Drop Ship Vendor's facilities. If any inspection establishes that there has been any non-compliance with any requirements of this Appendix, Drop Ship Vendor will promptly cure the non-compliance at Drop Ship Vendor's cost and expense, without limiting any other rights or remedies that may be available to Academy or Designated Site Operator. In addition, at Academy's expense, Academy and/or Academy's representatives may place a reasonable number of personnel on-site at any of Drop Ship Vendor's facilities at any time to coordinate with Drop Ship Vendor with respect to any e-Commerce Orders and/or drop-shipment requirements set forth in this Appendix.

[Schedules on Following Pages]

APPENDIX 8 – SCHEDULE 1

DEFINITIONS

- (a) “**Academy Drop Ship Administrator**” means Academy’s drop ship vendor administrator, who can be contacted via email at the following email address: **DropShip@academy.com**.
- (b) “**Academy Site**” means the website for which the primary home pages are located at www.Academy.com that are owned or controlled by Academy and used primarily in connection with the sale of the e-Commerce Merchandise.
- (c) “**Customer Information**” means any and all information that is (i) transmitted to Drop Ship Vendor by or on behalf of Academy, including without limitation, names, mailing addresses, telephone numbers, e-mail addresses, e-Commerce Orders and e-Commerce Order processing information, and any other identifying information contained in e-Commerce Orders, or (ii) obtained, produced or developed by Drop Ship Vendor in connection with this Appendix; *provided, however*, Customer Information does not include any information that Drop Ship Vendor has obtained independent rights to from customers other than through transactions contemplated under this Appendix.
- (d) “**Designated Site Operator**” means any third party operator of the Academy Site that is designated by Academy.
- (e) “**e-Commerce Merchandise**” means the merchandise designated by Academy in writing from time to time and provided by Drop Ship Vendor for sale by Academy through the Academy Site as contemplated hereunder.
- (f) “**e-Commerce Order**” means (i) an order for e-Commerce Merchandise initiated and processed through the Academy Site; (ii) an order for e-Commerce Merchandise initiated and processed through telephone or mail; or (iii) any combination of (i) and (ii) above.
- (g) “Radial” means the Academy designated third-party data integration service provider.
- (h) “Trademarks” means any trademark, service mark, trade name, trade dress, proprietary logo or insignia or other source or business identifier of Academy that is designated for use by Drop Ship Vendor in writing by Academy.

APPENDIX 8 – SCHEDULE 2

FEES

Drop Ship Vendor shall perform the services of order processing, customer service (to the extent requested by Academy), fulfillment to include cost of picking, handling (physical or mechanical), de-assorting, boxing, over wrapping, dunnage, the cost of supplies and any network charges or Radial charges to meet the Academy guidelines.

Drop Ship Vendor shall charge Academy the cost agreed to by the Parties under Academy's MRS system.

The cost shall be comprised of the following components: (1) "base cost" which includes related product, manufacturing costs, warehousing labor, assembly labor and customer service costs; (2) "freight cost" which means the cost paid by Drop Ship Vendor to the applicable carrier (which shall be separately identified by Drop Ship Vendor); and (3) "handling fee" which includes picking and packing labor, packaging supplies and shall in no event exceed 2% of the base cost, unless otherwise agreed to by Academy in writing.

Drop Ship Vendor shall provide to Academy the e-Commerce Merchandise items at the lesser of (i) the listed wholesale prices below or (ii) the prices charged by Drop Ship Vendor to Academy (i.e., brick and mortar business) in connection with the same merchandise:

All vendors currently conducting business with Academy are subject to their currently negotiated Vendor Allowances per the Vendor Allowance Policies.

**APPENDIX 8 – SCHEDULE 3
OPERATIONAL REQUIREMENTS**

- 1. RESPONSES TO INQUIRIES.** Drop Ship Vendor will promptly respond to Academy’s inquiries (including telephone and/or email inquiries) for (and Drop Ship Vendor will promptly provide) up-to-date information as to e-Commerce Order status for any e-Commerce Order(s) (and, without limiting the generality of the foregoing, Drop Ship Vendor will respond to any other e-mail or telephone inquiries from Academy regarding individual customer e-Commerce Orders within twenty-four (24) hours after Academy makes the applicable inquiry).
- 2. SYSTEM/MESSAGING REQUIREMENTS.** Drop Ship Vendor will comply with the following requirements:

Certain System/Messaging Terms	
Scheduled System Down-Time for Electronic Communications	Communicated at least 30 days prior, with total downtime (i.e., situations in which communications are not successfully received from or sent to Academy) of less than 0.5%, measured monthly.
Frequency of Inventory Availability Advice Updates	Minimum – Full inventory feed for all merchandise on a weekly basis for Vendors with a browser-based set-up or daily for Vendors with an EDI set-up (although Academy prefers that inventory feeds be provided on a daily basis).

- 3. PACKING; OVER-BOXING.** Drop Ship Vendor will properly package the e-Commerce Merchandise in each e-Commerce Order (including Over-Boxing (as such term is defined below) such e-Commerce Merchandise where necessary) to protect the e-Commerce Merchandise against damage during shipment and to maintain a high-quality image. Drop Ship Vendor will, pursuant to Academy’s requirements, Over-Box (a) any e-Commerce Merchandise that is not in a shippable container and (b) certain e-Commerce Merchandise designated by Academy in order to conceal the identity of such e-Commerce Merchandise (e.g., in order to reduce the risk of theft during shipment). Drop Ship Vendor will use boxes that meet or exceed the box strength guidelines set forth in Table 1 below. Drop Ship Vendor will procure, manage, and maintain its inventory of packaging materials to ensure that it has adequate quantities on hand to perform services. (“**Over-Box**” or “**Over-Boxing**” means putting and packing e-Commerce Merchandise in a shippable box for shipment to the appropriate Academy customer pursuant to this Appendix).

Table 1			
Box Strength Guidelines			
Maximum Weight of Contents (lbs.)	Size Limit of Box (Inches) L +W+H	Bursting Test (lbs. per sq. inch)	Edge Crush Test (ECT) (lbs. per in. width)
Single-Wall Corrugated Containers			
30	75	200	32
40	75	200	40
50	85	250	44
65	95	275	55
80	105	350	N/A
Double-Wall Corrugated Containers			
60	85	200	48
80	95	275	51
100	105	350	61
120	110	400	71
140	115	500	82
150	120	600	N/A

4. PACKING SLIP / NOTIFICATION.

- 4.1** Drop Ship Vendor will produce and include in each package a packing slip in accordance with Academy's specifications and using the Trademarks and templates provided by Academy, unless otherwise approved in writing by Academy. Without limiting the foregoing, Drop Ship Vendor will provide the printing of gift messages (on a line-item basis for multi item shipments or a shipment level basis for single item shipments) on the packing slips as part of the services. Drop Ship Vendor agrees that all of its use of the Trademarks pursuant to this Section shall be in accordance with all directions and quality control standards of Academy as communicated by Academy to Drop Ship Vendor from time to time. Drop Ship Vendor shall submit to Academy for approval copies of the packaging slips using (or mock-ups of proposed electronic representations of) the Trademarks at least ten (10) days before the first use thereof. Drop Ship Vendor acknowledges the validity of and Academy's title to the Trademarks and of the goodwill associated therewith and shall not do or suffer to be done any act or thing which would adversely affect or otherwise impair the rights of Academy in and to the Trademarks. Drop Ship Vendor shall not during or after the Term make any use of the Trademarks (except as expressly set forth herein) or any trademarks, service marks, trade names, or logos confusingly similar thereto, or file any application to register any thereof in any jurisdiction, shall make no claim of trademark rights adverse to those of Academy, and shall not challenge or contest the validity of the Trademarks. Drop Ship Vendor further acknowledges that its use of the Trademarks and all goodwill developed therefrom shall inure to the benefit of Academy.
- 4.2** Drop Ship Vendor will procure, manage, and maintain its inventory of regular paper to ensure that it has adequate quantities on hand to produce packing slips under this Appendix. Drop Ship Vendor will not transfer or use any packing slips produced under this Appendix for any purpose other than performing its obligations under this Appendix.
- 4.3** When each e-Commerce Order is picked up by the applicable freight carrier for shipment, Drop Ship Vendor will promptly notify Academy by sending an Advance Shipment Notification to Radial or by updating the shipment status in Radial, as applicable.

5. DATA FEEDS.

5.1 Data Integrity and Retention.

- 5.1.1** Drop Ship Vendor agrees to abide by Academy's standards for protecting the confidentiality and integrity of data transmissions.
- 5.1.2** Approved mechanisms for data transmission may include:
- 5.1.2.1** XML/HTTP over SSL, with certificate-based authentication utilizing a 1024bit (or larger) RSA public key, and 128-bit (or stronger) symmetric encryption.
- 5.1.2.2** Digitally signed and encrypted S/MIME messages over HTTP or SMTP, using certificates with a 1024-bit (or larger) RSA public key, and 128-bit (or stronger) symmetric encryption.
- 5.1.2.3** Digitally signed and encrypted PGP (Pretty Good Privacy) or GPG (Gnu Privacy Guard) messages over a variety of transports, with 1024-bit (or larger) RSA or DH/DSS public keys, and 128-bit (or stronger) symmetric encryption.
- 5.1.3** For all message-based encryption schemes employing digital signatures (including PGP and S/MIME), Drop Ship Vendor will verify the digital signature of the message and reject messages with invalid signatures.
- 5.1.4** For all encryption schemes employing public key cryptography, Drop Ship Vendor will ensure the confidentiality of the private component of the public-private key pair, and will promptly notify Academy in the event that the private key is compromised.
- 5.1.5** In general, the mechanism choice will depend on a number of factors such as technical

capability, transaction volume, latency requirements, availability requirements, and will be chosen by mutual Appendix.

- 5.1.6 Academy has no obligation to provide any data to Drop Ship Vendor except for data required to fulfill e-Commerce Orders under this Appendix.
 - 5.1.7 Drop Ship Vendor will retain full e-Commerce Order data only for as long as is necessary to fulfill the e-Commerce Order. Certain data (financial, but not Personally Identifiable Information) may be retained longer in order for Drop Ship Vendor to comply with reporting and auditing requirements.
 - 5.1.8 Drop Ship Vendor will delete all live (online or network accessible) instances of the Personally Identifiable Information (“PII Data”) associated with each e-Commerce Order within 30 days after completing fulfillment of the e-Commerce Order.
- 5.2 **Forensic Destruction.** Prior to disposing of any hardware, media, or software (including any sale or transfer of such hardware, media, or software, any disposition in connection with any liquidation of Drop Ship Vendor’s business, or any other disposition) that contains, or has at any time contained, Confidential Information, Drop Ship Vendor will perform a complete forensic destruction of the Confidential Information in such hardware or software such that none of such Confidential Information can be recovered or retrieved. Such forensic destruction may include: (a) physical destruction, particularly incineration; or (b) secure data wipe.
- 5.3 **System Protection & Recovery.** Drop Ship Vendor will protect its computer and operations systems against outages using standard industry methods designed to prevent outages and minimize impacts during any unavoidable service interruptions, including ensuring that (a) its computer system is protected, backed up automatically, and protected by fire suppression systems, and (b) it has implemented and regularly tests a disaster recovery or business continuity plan for the facilities.

APPENDIX 8 – SCHEDULE 4
ORDER PROCESSING SERVICE LEVEL MANUAL (SLA)

Part I. Business Compliance

The standard expectations for service levels are defined below:

Definitions:

- “Days” shall refer to calendar days - Monday through Friday
- “Weeks” shall refer to calendar weeks - Monday through Friday
- “Hours” shall refer to clock hours - Monday through Friday

Description	Metric	Service Level
Fulfillment Accuracy		% of accepted orders with fulfillment errors must be < 0.1% as measured by Customer Service contacts (missing product, extra or incorrect product, damaged product)
Cancellation due to Out of Stock (“OOS”)		Cancellations due to OOS will be subject to a 15% Chargeback on the total PO and must not exceed 2% of total orders annually
Invoicing		Drop Ship Vendor will invoice Academy in accordance with the following invoicing requirements: Invoices are processed electronically through Radial. Drop Ship Vendor shall submit all invoices to Radial within 48 business hours of shipment. No paper invoice will be accepted. Each purchase order must be invoiced separately.
Item Changes		Drop Ship Vendor must notify Academy of all cost, UPC, and product description changes at least 30 days prior to the change.
Purchase Order Acknowledgment	Monthly Average Acknowledgment Time	This Service Level measures the time from which Drop Ship Vendor receives a purchase order from Academy until Academy receives a written acknowledgement from Drop Ship Vendor of its receipt of such purchase order (“ Acknowledgment ”). This Service Level is calculated as follows: (i) the number of Acknowledgements that are received within less than 24 hours during the applicable month, divided by (ii) the total number of purchase orders received by Drop Ship Vendor from Academy during such month, expressed as a percentage. Such % must meet or exceed 99% during each month.
Purchase Order Shipping Time – Bulk Carrier Items	Monthly Average Shipping Time	This Service Level measures the time from which Drop Ship Vendor receives a purchase order for Bulk Carrier items from Academy until Drop Ship Vendor ships the applicable e-Commerce

Description	Metric	Service Level
		Merchandise pursuant to the purchase order (“ Shipment ”). This Service Level is calculated as follows: (i) the number of Shipments that are shipped within less than 48 hours* during the applicable month, divided by (ii) the total number of Shipments made during such month, expressed as a percentage. Such % must meet or exceed 99% during each month. * On a case-by-case basis, Academy may agree in writing to a longer Shipment period with respect to a particular product. With respect to such products, Vendor shall be deemed to have met the applicable Shipment time requirement with respect to a Shipment of such product for purposes of this Service Level if such Shipment is shipped within less than the applicable timeframe agreed to by Academy.
Purchase Order Shipping Time – Non-Bulk Carrier Items	Monthly Average Shipping Time	This Service Level measures the time from which Drop Ship Vendor receives a purchase order for non-Bulk Carrier items from Academy until Drop Ship Vendor ships the applicable e-Commerce Merchandise pursuant to the purchase order (“ Shipment ”). This Service Level is calculated as follows: (i) the number of Shipments that are shipped within less than 48 hours* during the applicable month, divided by (ii) the total number of Shipments made during such month, expressed as a percentage. Such % must meet or exceed 99% during each month. * On a case-by-case basis, Academy may agree to a longer Shipment period with respect to a particular product. With respect to such products, Vendor shall be deemed to have met the applicable Shipment time requirement with respect to a Shipment of such product for purposes of this Service Level if such Shipment is shipped within less than the applicable timeframe agreed to by Academy.

Part II. Order Processing and Invoicing Procedures

For System-to-System Vendors:

Description	Metric	Service Level
Inventory Feed (846 EDI Doc)	Timeliness of receipt	Where applicable, vendor must provide, at a minimum, an inventory file on a daily basis, regardless of business or facility operating hours, unless otherwise agreed to by Academy.

Description	Metric	Service Level
Inventory Feed (846 EDI Doc)	Accuracy of transmission	Vendor must provide an accurate unit inventory file. If out of stock or discontinued, vendor shall update the quantity to “0”, for that item.
Order Ship Request (850 EDI Doc)	Timeliness of receipt	Vendor must receive Order Ship Requests a minimum of twice per day. The 850 EDI Doc submitted with Academy orders shall contain the cost (i.e., Vendor’s price) for the e-Commerce Merchandise.
Purchase Order Acknowledgment (855 EDI Doc)	Timeliness of transmission	Vendor must transmit Purchase Order Acknowledgments a minimum of twice per day.
Advance Shipping Notice (ASN or 856)	Timeliness of transmission	Vendor must provide ASN within 12 hours after shipment of merchandise
Advance Shipping Notice (ASN or 856)	Accuracy of transmission	Vendor must provide ASN with accurate Carrier and tracking information, and an invoice number in connection with the e-Commerce Order.
Invoice Notice (810)	Timeliness of transmission	Vendor must provide Invoice within 48 business hours from ship date.
Packing Slip	Accuracy of transmission	If Vendor creates packing slip, only the retail price should be displayed or no cost at all. Vendor cost should not be on packing slip.

For Browser-Based Vendors (Not System-to-System):

Description	Metric	Service Level
Inventory Update	Timeliness of transmission	Where applicable, vendor must provide, at a minimum, an inventory file on a weekly basis (daily update preferred), regardless of business or facility operating hours, unless otherwise agreed to by Academy.
Inventory	Accuracy of transmission	Vendor must provide an accurate unit inventory file. If out of stock or discontinued, vendor shall update the quantity to “0”, for that item.
Order Acknowledgement	Timeliness of receipt	Vendor must Acknowledge and Release Order in Radial within 24 business hours of order import date.
Order Shipment	Timeliness of transmission	Vendor must process shipments in Radial within 72 business hours of order import date, unless otherwise agreed to by Academy.
Order Shipment	Accuracy of transmission	Vendor must provide accurate quantity shipped, Carrier and tracking information in connection with the e-Commerce Order
Order Invoicing	Timeliness of transmission	Vendor must Invoice Order in Radial within 48 business hours of ship date.
Order Invoicing	Accuracy of transmission	Vendor must provide accurate Invoice information in connection with the e-Commerce Order.

The Service Level Manual is in place to ensure a seamless guest experience through the vendor. In order to maximize guest delight with third party fulfillment, Academy will audit the performance of the vendors periodically.

APPENDIX 9 CHARGEBACK SCHEDULES

The following penalties will be assessed per infraction per Purchase Order shipped. In the event that a Chargeback is issued against your company, please contact our Vendor Compliance Department via email at vendcomp@academy.com to discuss plans for improvement. Penalties may be subject to reduction or reimbursement (except freight-related penalties, labor charges and repeat offenses) if a corrective action plan is communicated to our office within 30 days of assessment.

NON-COMPLIANCE CHARGEBACK ISSUES AND SCHEDULE – DOMESTIC VENDORS

Non-Compliance Issue	NON-Compliance Cost USD
Transportation	
Shipping by non-designated freight carrier	\$500 + Freight Difference
Truck order not used	\$50 + Carrier incurred charges
Merchandise shipped to an incorrect location	\$1,000
Detention charges / Failure of shipper load and count freight	\$50 + Carrier incurred charges
Prepaid freight that is sent Collect	\$250 + Freight difference
Mis-use of FedEx Account without Authorization	\$1,000
Failure to consolidate Collect POs routed in OTM as LTL	\$500
Failure to palletize Collect POs routed in OTM as LTL	\$500
Failure to palletize Collect PO routed in OTM as truckload and intermodal	\$500
Failure to use OTM for Collect PO's	\$500
Total weight of a loaded pallet in excess of 2,000 lbs	\$500
Shipment Timing	
Shipment shipped before the Not Before Date or after the Not After Date indicated on Purchase Order	\$1,000 or Shipment refusal
Failure to release POs 72 hours (3 business days) prior to early pick-up date in OTM (subject to Academy discretion)	\$500
Bills of Lading	
Failure to separate or consolidate Bill of Lading	\$500 + Freight Difference
No National Motor Freight Classification number	\$250
Incorrect / Missing shipper information	\$250
Incorrect / Missing weight information	\$250
Incorrect / Missing PO information, i.e. List of PO's included in shipment, total cartons per PO	\$250
Special handling requirements not noted for hazardous or serialized items	\$250
Packing List / ASN	
Missing packing list with the physical shipment	\$250
Missing / Late ASN	\$1000 if PO cost \$10,000 or greater \$200 if PO cost less than \$10,000
Incorrect / Missing information on ASN	\$1000 if PO cost \$10,000 or greater \$200 if PO cost less than \$10,000
Product Packaging and Labeling	
Incorrect / Missing UPC number for each unique, sellable item shipped	\$1,000

Apparel shipped without size strip	\$250 + Labor Charges
Apparel shipped with non-approved hangers	\$1,000 + Labor & Material Cost
Apparel designated to be hung, but shipped without hangers & crown sizers	\$500 per 1,000 units + Labor & Material Cost
Merchandise ordered by size but shipped in pre-pack units or vice-versa	\$1,000 + Labor Charges
Pre-Ticketing (If Applicable)	
Goods arrived without tickets or only partially ticketed	\$250 + Labor Charges
Incorrect human-readable information (SKU, Retail)	\$250 + Labor Charges
UPC issues/barcode not scanning/missing or incorrect UPC	\$1,000 + Labor Charges
Tickets mixed on goods between style, colors, and/or size	\$250 + Labor Charges
Merchandise arrived with incorrect ticket placement	\$250 + Labor Charges
Carton Packaging, Labeling, and Pack-By-Store	
Mixed SKUs or POs within a carton	\$500
Incorrect / Missing information or store number on the UCC-128 labels	\$1,000
Carton contents not matching ASN detail	\$1,000 if PO cost is \$1,000 or greater, \$200 if PO cost less than \$1,000
Unscannable / Missing UCC-128 carton label	\$1,000
Handling requirements not noted on carton for hazardous or serialized items	\$100
Merchandise Shipment Errors	
Merchandise shipped in excess of quantity ordered	\$250
Unauthorized substitutions / merchandise shipped though not ordered on PO	\$250 + Reduced COGS
Defective merchandise / quality of merchandise	\$1,000 + Labor Charges
EDI	
Error with EDI 856 or 810 Transmissions	\$500

NON-COMPLIANCE CHARGEBACK ISSUES AND SCHEDULE – DROP SHIP VENDORS
(Effective August 4, 2019)

Non-Compliance Issue	Non-Compliance Cost USD	Non-Compliance Cost USD
Shipment Timing		
Failure to ship within the agreed upon SLA (past ESD provided within Radial)		
(**Some exclusions may apply. Need approval from Academy Drop Ship Team)		
Failure to send shipment confirmation and/or Advanced Shipping Notice (ASN) within 12 hours after shipment and with appropriate tracking information	5% per PO	
Failure to provide accurate shipped quantity, carrier and tracking information	5% per PO	
Cancellation		
Failure to fulfill drop ship order	15% per PO	
Invoicing		
Failure to submit invoice within 24 business hours of Not Before Date	5% per PO	
Failure to provide accurate invoice details including all costs, shipping status, tracking, duplicate invoice	5% per PO	

number and other details, causing invoice submission failure in Radial	
Inventory	
Failure to update inventory on a daily basis	\$50

NON-COMPLIANCE CHARGEBACK ISSUES AND SCHEDULE - IMPORT VENDORS

A Vendor Compliance Chargeback will be issued for any Non-Compliance on the following:

Non-Compliance Issue	Non-Compliance Cost USD	Monitor Department
Origin Management / Import Logistics		
All required and accurate shipping documents not submitted to the Academy's designated Freight Forwarder's origin office within 72 hours of vessel departure.	\$1,000	Import Logistics/Customs Compliance
Importer Security Filing (ISF) data not supplied at time of booking with the Freight Forwarder	\$1,000	Import Logistics
Factory on the Importer Security Filing (ISF) does not match factory on Purchase Order. Factory on ISF is an approved Academy factory.	First Offense - \$750: Repeat offense - each offense increases by \$1000	Import Logistics
Factory on the Importer Security Filing (ISF) does not match factory on Purchase Order. Factory on ISF is an unapproved Academy factory.	First Offense - \$1000: Repeat offense- each offense increases by \$1000	Import Logistics
Freight not booked 14 days prior to Start Date on P.O.	\$500	Import Logistics
Cancellation of booking not made at least 7 days from vessel cut off	\$1,000	Import Logistics
Import containers shipped light (less than Academy min cube requirement per container size)	Actual freight + \$250 admin	Import Logistics
Shipping of cancelled product	All incoming charges incurred + any charges incurred to return product + \$1,000 or if goods are kept a \$1,000 penalty.	Import Logistics
Late Shipment: When goods have a CFS Receipt Date or CY In gate date that is after the Academy Not After Date. The new monitoring method using the In Gate date and/or CFS Receipt date for calculating late shipments is effective with orders shipping on 9/1/2017	Chargebacks for late shipments will be assessed for all shipments that have a CFS Receipt Date or CY Ingate date that is after the Academy Not After date on the Purchase Order (PO). The amount of the Chargeback will be determined as a percentage of the total cost of the portion of the PO that is late.	Global Production
Number of Days late - Chargeback % (Applied against cost of late portion of PO) 1-5 days late - 3% 6-10 days late - 6% 11-15 days late - 10% 16-20 days late - 15% (or Pre-paid Air Ship, if mutually agreed upon) 21+ days late - 15% (or Pre-paid Air Ship, if mutually agreed upon) + Business Impact Assessment*		

<i>*Business Impact Assessment – May include, but may not be limited to, any of the following: • Estimated sales and margin loss for items shipped late• Estimated sales and margin loss for items commonly purchased with items shipped late • Labor, freight and other charges associated with expedited warehouse operations and store delivery</i>		
Air freight shipped collect without approval. This includes sample shipments.	Freight amount + \$500	Import Logistics
ISF Penalty issued by US Customs for late or incorrect ISF	\$5,000 min; \$10,000 max	Import Logistics
Storage/demurrage charges due to incorrect or missing document information to clear shipment with US Customs	Storage/Demurrage charges + \$500 admin	Import Logistics
Import Freight Cost Incurred due to booking or shipping errors.	Freight amount + \$500	Import Logistics
Product received damaged or not sellable	Actual landed cost + \$250 admin fee	Import Logistics
Container Load Manifest not on a carton in the tail of the container (applicable to factory loaded containers)	\$1,000	Import Logistics
Shipping (Imports) by non-designated freight carrier	Freight charges incurred + 1000	Import Logistics