

DROP SHIP TERMS AND CONDITIONS

The Neiman Marcus Group LLC (“NMG” or “Company”), a Delaware corporation comprised of Neiman Marcus, Bergdorf Goodman and NM Direct, hereby orders the merchandise specified on the Company Purchase Orders/Contracts/EDI transmittals, subject to and upon the express terms and conditioned hereof. Reference herein to “Order” shall be deemed to include all orders accompanying or subsequently transmitted through a computer-based telecommunications system utilizing the appropriate security code and shall include the shipping, handling and routing instructions and any order information referenced below. Brand Partner’s (“You” or “Brand Partner”) acceptance of this order is expressly limited to such terms and conditions. An acceptance stating additional or different terms will be deemed a rejection of this order. NMG/Company and You/Brand Partner together are referred to as Parties.

IF NO NOTIFICATION IS RECEIVED BY THE COMPANY WITHIN FIVE DAYS OF RECEIPT OF THIS ORDER, OR IF A SHIPMENT/ANY PART HEREOF IS MADE, IT IS UNDERSTOOD THAT THE TERMS AND CONDITIONS OF THIS ORDER ARE SATISFACTORY TO AND ACCEPTED BY YOU.

1. Electronic Data Interchange. All transactions between the Parties will be carried out through the DSCO online Platform. Brand Partner shall work directly with DSCO to access the platform as a Trading Partner of Neiman Marcus. Each Party shall electronically transmit to or receive from the other Party any of the transaction sets documents listed on the Neiman Marcus Group Operations Portal, NMGOPS.com (collectively, “NMGOPS”). NMG may add or delete transaction sets at its discretion. All documents will be transmitted in accordance with the standards and the published industry guidelines identified on NMGOPS.

Any document properly transmitted under this Agreement, including Purchase Orders, will be considered to be a “writing” or “in writing” such that the documents will be deemed for all purposes to satisfy and comply with the provisions of the Texas Uniform Electronic Transactions Act.

2. Purchase Orders. From time to time, the Company may, but shall not be required to, issue Purchase Order(s) for Merchandise (defined below). Such Purchase Order(s) are conditioned on Brand Partners’ acceptance of and adherence to the Purchase Order Legal Terms available on NMGOPS, and which are hereby incorporated by reference.

3. Brand Partner's Representations and Warranties. Brand Partner represents and warrants to NMG, in addition to all warranties implied by law, as follows: Each item of merchandise described in a Purchase Order, whether produced in whole or in part by Brand Partner, together with all related packaging, labeling and other printed matter, including any consumer warranty materials required by applicable law to accompany the merchandise, and all related advertisements furnished by Brand Partner (“Merchandise”) will (i) be free from defects in design, workmanship or materials; (ii) be fit for its particular purpose and suitable for use; (iii) be manufactured, packaged, and properly labeled for shipment (including marked, where applicable, with the country of origin), in accordance with all applicable laws, regulations, and other requirements, including regulatory recommendations and guidelines (collectively, “Legal Requirements”); (iv) not infringe upon any third party’s intellectual property, personal, contractual or proprietary rights; (v) conform to all specifications set forth or incorporated in the Purchase Order, or as otherwise agreed to by the Parties; (vi) be free and clear of all third-party liens, claims and encumbrances upon acceptance by NMG; and (vii) possess all characteristics claimed in advertisements or printed materials issued or authorized by Brand Partner. Brand Partner and its employees, agents, Brand Partners or other representatives (“Brand Partner Representatives”) are and will be in compliance with all legal requirements with respect to the sourcing, production, exportation, importation, shipment, delivery, and sale of Merchandise and any related business activity. Neither Brand Partner nor any Brand Partner Representative (i) has made, or will make bribes or any other payments to any person

to gain an improper competitive advantage; (ii) is a national of, or registered or incorporated in any country subject to U. S. economic sanctions; (iii) is designated on the list of Specially Designated Nationals and Blocked Persons maintained by the United States Treasury Department's Office of Foreign Assets Control ("SDN List"); or (iv) is acting on behalf of, or is owned or controlled by, a person on the SDN List or a foreign government subject to U. S. economic sanctions.

4. Drop Ship Late or Unauthorized Merchandise. Merchandise that is shipped by Brand Partner after the Expected Ship Date or was not ordered by NMG will be handled in accordance with the provisions published in the Drop Ship Operations Manual, posted on NMGOPS.

5. Returned Merchandise: Risk of Loss. Brand Partner assumes the risk of loss with respect to all Merchandise returned to Brand Partner by NMG. Production of a tracking number or other objective proof of shipment to Brand Partner will be sufficient evidence to shift the assumption of risk to Brand Partner and shall be sufficient evidence of a return.

6. Merchandise Recall. When there is reliable information to support the conclusion that Merchandise fails to comply with any legal requirement or contains defects or hazards that could cause risk of death, bodily injury to or damage to the property of any person, (i) NMG shall notify Brand Partner, and Brand Partner will take all appropriate steps with respect to such Merchandise in accordance with all Legal Requirements; and (ii) NMG shall notify the United States Consumer Product Safety Commission and/or any other governmental authority having jurisdiction over such matters and may, at Brand Partner's expense, do as NMG deems necessary or is required by any governmental authority. If Brand Partner formulates a recall plan or is planning to enter into any agreement with any governmental authority regarding the recall of Merchandise sold to NMG hereunder, Brand Partner will notify NMG of the terms of any such plan or agreement. Upon any recall of Merchandise by Brand Partner or NMG, the recalled Merchandise will be repaired or replaced, or the purchase cost shall be refunded, pursuant to the recall plan, all at Brand Partner's expense, including, without limitation, Brand Partner's refund of all costs and expenses incurred by NMG in connection with the recall. If Brand Partner becomes aware of any product safety hazard or violation of any legal requirement associated with Merchandise, Brand Partner will immediately notify NMG in writing.

7. NMG Right to Cancel, Terminate and/or Rescind. NMG may cancel, terminate and/or rescind all or part of a Purchase Contract if Brand Partner (i) breaches any representation, warranty, guarantee or other obligation or (ii) suffers a material adverse change in its financial condition or becomes insolvent or subject to any bankruptcy proceedings.

8. Indemnification. Brand Partner will indemnify and hold harmless NMG, its parent and their respective subsidiaries, and affiliates, and their directors, officers, employees and agents (collectively, the "Indemnitees"), from and against any and all claims, actions, proceedings, losses, profits, liabilities, judgments, penalties, liens, forfeitures, fines, damages (including liquidated, consequential and punitive damages), and other costs and expenses, including attorneys' fees (collectively referred to as "Claims"), which arise or result from (i) any breach or alleged breach of any representation, warranty, guarantee or other obligation of Brand Partner; (ii) any damage to or destruction of property or any injury to or death of persons arising, or alleged to arise, out of Merchandise; (iii) any act or omission by Brand Partner with respect to Merchandise. NMG will timely notify Brand Partner of such Claim, and Brand Partner will defend such Claim at Brand Partner's expense. Brand Partner will take no action that might prejudice Indemnitees' rights and will advise them of, and allow them to participate in, all meetings, hearings, talks, and strategy on such Claims. Brand Partner will have no right to settle any such Claim without prior written approval of the affected Indemnitee(s). Any controversy between Brand Partner and any Indemnitee concerning Brand Partner's obligations under this indemnity may be litigated in the same court, concurrently with any action or proceeding against such Indemnitee to which such controversy may relate. Brand Partner agrees to appear voluntarily in such court and submit itself to the jurisdiction thereof, and further agrees to have such

controversy heard by a judge thereof and waives its right to trial by jury.

9. Insurance. Brand Partner will maintain, at its expense, commercial general liability insurance, including contractual, property damage, personal and advertising injury, products liability and completed operations coverage, with limits and other requirements specified on NMGOPS, as may be amended from time to time by NMG in its reasonable commercial discretion. With its signed original of this Agreement, Brand Partner will submit to NMG a copy of its current certificate of insurance in the format specified on NMGOPS. Brand Partner will submit to NMG renewals of its certificate of insurance before the expiration of such coverage. If NMG has assigned a supplier number to Brand Partner, Brand Partner will include that number on each certificate or renewal submitted.

10. Confidentiality. Brand Partner agrees that all non-public information (including the terms of this Agreement) received by Brand Partner, its affiliates and their personnel relating to NMG or its customers, in connection with this Agreement, shall be maintained as detailed below. Such Confidential Information includes but is not limited to: business plans, strategies, forecasts, analyses financial information, and customer data (collectively, “**Confidential Information**”), regardless of the manner or medium in which it is furnished to or otherwise obtained by Brand Partner. This **Section 10** also applies to any information exchanged between the Parties regarding proposed business, regardless of whether the Parties enter into a Purchase Contract or other contract regarding such proposed business.

10.1 Restrictions. Brand Partner will use all reasonable efforts to avoid disclosure, publication or dissemination of any Confidential Information. Further, Brand Partner: (a) may use the Confidential Information only as necessary to perform the its other obligations under this Agreement, (b) may not disclose the Confidential Information except to those who need to know in connection with this Agreement, and (c) must restrict disclosure of Confidential Information to its personnel who have executed a written agreement by which they agree to be bound by terms substantially similar to this Section. Brand Partner is liable for any unauthorized disclosure or use of Confidential Information by its affiliates, personnel or third Parties.

10.2 Exceptions. The obligations under this Section do not apply to any Confidential Information that Brand Partner can demonstrate: (i) Brand Partner possessed, without an obligation of confidentiality, prior to disclosure in connection with this Agreement; (ii) is or becomes public through no fault of Brand Partner; (iii) is independently developed by Brand Partner without use of any Confidential Information; or (iv) is received by Brand Partner from a third party (other than Brand Partner’s Representatives) that does not have an obligation of confidentiality to the NMG.

10.3 Disclosure. If, in the reasonable opinion of its legal counsel, Brand Partner is required by applicable laws or court orders to disclose any Confidential Information in connection with any legal proceeding, then Brand Partner may disclose such information to the arbitrator, court or other governmental authority, as the case may be; provided, in each case, Brand Partner notifies NMG a reasonable time prior to such disclosure (in order to permit NMG to seek appropriate protective measures); and Brand Partner requests and supports NMG’s efforts to seek appropriate protective measures.

10.4 Brand Partner Notification. Brand Partner must immediately notify NMG upon the discovery of the loss, unauthorized disclosure or unauthorized use of any Confidential Information and cooperate with NMG, at no additional charge, in the investigation of any such unauthorized disclosure.

10.5 Return or Destruction of Confidential Information. Within 10 days following the earlier of the termination or expiration of this Agreement, Brand Partner must, at NMG’s discretion, must certify in writing to NMG that such Confidential Information (including all copies/derivatives thereof) have been destroyed in such a manner that it cannot be retrieved.

10.6 Special Rules for Confidential Personal Information. The following information (which is a subset of Confidential Information) must be held in the strictest confidence by Brand Partner: all information regarding NMG’s individual customers and employees, including but not limited to names, addresses, telephone numbers, account numbers, social security numbers, customer lists, and demographic, financial and transaction information (“**Confidential Personal Information**”).

10.7 Additional Restrictions. In addition to the restrictions set forth above, Brand Partner may not:

disclose Confidential Personal Information to any third parties (including Brand Partner's Representatives) without NMG's prior written permission, nor duplicate or incorporate the Confidential Personal Information into its own records or databases. In addition, Brand Partner must establish and maintain written policies and procedures and conduct its operations to ensure: (i) the security, confidentiality and proper disposal of the Confidential Personal Information; (ii) protect against any anticipated threats or hazards to the security or integrity of such information; and (iii) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer. Copies of such policies and procedures will be provided to NMG upon NMG's request.

10.8 Confidential Personal Information Exceptions. The exceptions to Brand Partners obligations set forth above in 10.2, "Exceptions," shall not apply to Confidential Personal Information. However, the restrictions on Confidential Personal Information do not apply to information independently developed by Brand Partner without the use of Confidential Personal Information; provided that Brand Partner is not using such information on NMG's behalf.

11. Setoffs, Payment Reserves and Debit Balances. NMG may set off through chargeback or other means, all present and future indebtedness of Brand Partner arising from any Purchase Contract, transaction or dealings between the Parties. If NMG determines that Brand Partner's performance under a Purchase Contract or related transaction between the Parties is likely to be impaired, NMG may, through deductions from its payments to Brand Partner, establish a reserve on Brand Partner's account to satisfy Brand Partner's actual or anticipated obligations to NMG. Upon NMG's written request, Brand Partner will pay to NMG any debit balance in Brand Partner's account.

12. Delegation or Assignment. Brand Partner may not assign this Agreement or subcontract or delegate its obligations under it without NMG's prior written approval, which NMG may grant (or not) in its sole and absolute discretion. A change in ownership or control of Brand Partner will be deemed an assignment subject to approval. Brand Partner will be liable under the terms of this Agreement for the acts and omissions of its subcontractors. This Agreement will be binding upon each party hereto and its successors and permitted assigns

13. Choice of Law and Forum; Jury Waiver. Any action arising from or relating to this Agreement or a Purchase Contract will be filed only in a federal or state court located in Dallas County, Texas, and the Parties irrevocably consent and submit to the personal jurisdiction of such courts. Neither party will claim that an aforementioned court is an improper or inconvenient venue. The laws of the State of Texas govern this Agreement, without regard for conflict of laws principles.

14. Limitation of Damages and Actions. Neither party will be liable to the other for any special, incidental, exemplary or consequential damages arising or resulting from the party's alleged breach of its obligations under this Agreement or any Purchase Contract even if such party has been advised of the possibility of such damages. Any action brought by a party hereunder must be commenced within two years after the cause of action arises, or it shall be deemed forever waived.

15. Termination. This Agreement will remain in effect until terminated by either party with thirty (30) days' notice to the other. Such termination will not affect obligations or rights arising before the effective date of termination.

16. Miscellaneous. All rights granted to NMG hereunder shall be in addition to and not in lieu of any rights arising by operation of law. Failure or delay in exercising any right or power shall not operate as a waiver by NMG. Any notice given by either party pursuant to this Agreement shall be deemed to have been received by the other party upon the sending thereof by receipted courier, express mail, registered or certified mail addressed to such party at the address or number designated by that party. This Agreement constitutes the complete understanding of the Parties and supersedes all prior representations or agreements, whether

oral or written, with respect to the matters specified herein. NMG and Brand Partner are independent contractors. Nothing herein will be deemed or construed to create any other relationship. This Agreement may be executed in separate counterparts, each of which will be an original, but all of which together will constitute one and the same instrument. Brand Partner and Brand Partner's Representatives are not employees, agents, or representatives of NMG and cannot bind, make any payments or commitments for, or act on behalf of NMG. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns.