

## Statement of Work: Core Services

### 1 Description of Services:

1.1 The Specialist Works (TSW) will act as a sales and management broker for Carter's via the selling of advertising space. Immediate advertising space will include:

1.1.1 **Package insert program:** Placing inserts on behalf of advertisers into the Carter's outbound packages to be received by Carter's customers.

1.2 Additional advertising sales opportunities, as detailed below, may also be included. Additional service descriptions will be added to this SOW as and when these areas are included:

1.2.1 **Order confirmation emails:** Once an order is placed, a Carter's customer receives an email confirmation of their order. This email may include an advertisement that will include a link to the advertiser's website.

1.2.2 **In-store bag inserts:** Placing inserts on behalf of advertisers in the bags used in store.

1.2.3 **Sampling within outbound packages:** Advertisers will supply sample products that have been approved and qualified for placement into Carter's outbound packages to be received by Carter's customers.

1.2.4 **Sampling in store:** Advertisers may supply sample products to be placed in stores and distributed to Carter's customers post purchase.

1.2.5 **Post checkout pages:** After an online purchase, the post checkout page may include an advertiser's creative with a link to their website

1.3 Pricing structures for each medium are broken down in the document *"Pricing Structure – Carter's & TSW,"*. This document will be updated (and kept current with market trends by TSW and the relevant Carter's team member) and shared regularly between both parties. Any amendments will be discussed and agreed to in writing by both parties. -

1.4 This Statement of Work (SOW) shall commence on the date of signature of the Master Services Agreement (MSA) and will continue for an initial period of 12 months, unless terminated by either party in accordance with the MSA. If neither party gives the other notice of its intention to terminate this agreement at the end of this initial period, this Agreement will continue indefinitely until terminated by either party not giving less than 90 days written notice.

**1.4.1** In the event of termination, Carter's will agree to honour all bookings made by TSW (and all related fees as set out in this SOW) prior to the notice and future bookings made and to be executed within the 3-month notice period. In the instance where TSW would have an opportunity for a booking to be booked within the 3 month notice period but with an insertion date beyond that the 3-month notice period, TSW will discuss with Carter's to gain approval if Carter's wishes to proceed with that booking as per the terms in this SOW.

**1.5** The Specialist Works is appointed as a media sales agency for Carter's media programs as referenced in 1.1 & 1.2. Carter's will inform The Specialist Works on any current or future direct relationships that may affect any media program management.

**1.5.1** Carter's agrees to not directly contact or deal with any third party or advertisers that The Specialist Works is already booking, discussing, or dealing with regarding the services in this SOW, specifically the media programs referenced in 1.1 & 1.2.

**1.6 The duties of The Specialist Works include:**

- 1.6.1** Deliver revenue through the sale of media services as listed in 1.2.
- 1.6.2** Obtain copy approval from Carter's and to the best of their knowledge advise and guide any direct or third-party advertisers to ensure that any third-party messages do not conflict with the Carter's brand values and are honest, decent, and comply with applicable laws.
- 1.6.3** Manage the process to ensure that advertisers comply with the relevant formats and weight restrictions as pre-determined by Carter's for the services listed in 1.2.
- 1.6.4** Ensure that the advertiser's credit insurance adequately covers the gross value of the booking prior to accepting any confirmed booking from an advertiser, whether direct or through an agency. The Specialist Works will provide evidence of the same to be provided, if and when requested by Carter's. Where this is not possible, The Specialist Works will ensure that full prepayment has cleared the bank seven days prior to insert delivery.
- 1.6.5** Facilitate communication to all direct advertisers regarding Carter's advertising opportunities via emails, phone calls, social platforms and events.
- 1.6.6** Facilitate communication to all media agencies regarding Carter's advertising opportunities via emails, phone calls, social platforms and events.
- 1.6.7** Promote the Carter's program through the TSW Group and affiliate websites and Connections by Exact.

- 1.6.8 Provide advertiser(s) with Insertion Orders (IO) to confirm advertising placements.
- 1.6.9 Provide Carter's with Purchase Orders (PO) to confirm advertiser placements.
- 1.6.10 Update the "Approval List" document with brand rejections and acceptances upon receipt of feedback from Carter's.
- 1.6.11 Present to Carter's the "Approval List" on a quarterly basis, with the intention of reviewing and refining where required.
- 1.6.12 Provide to Carter's a monthly report confirming all booked advertisers within the current calendar year and next calendar year.
- 1.6.13 Send advertisers' creative for approval by Carter's within 24 hours of receiving the advertisement request.
- 1.6.14 Deliver a Statement of Accounts (SOA), when in receipt of affidavit of distribution from Carter's.

**1.7 The duties of Carter's include:**

- 1.7.1 Provide advertiser creative approval or rejection, including any feedback on rejections, upon request. The ideal target window is 48 hours, although both parties acknowledge this may not always be achievable and agree to communicate as needed.
- 1.7.2 Deliver the agreed upon media value and within the agreed upon time period, as outlined in IO.
- 1.7.3 Provide a 12-month forecast for all available media space. To ensure efficient media sell through and allow for variances to forecast, The Specialist Works will sell media programs to 90% of the forecasted volume.
- 1.7.4 Inform The Specialist Works on any forecasting changes as soon as possible and once available in the public domain. Where changes in volume/impressions occur, there may need to be recalculation of net target forecast for the period pro rata to the change. Notification of such changes should be given to The Specialist Works as soon as in public knowledge or whenever reasonably possible in advance of the first distribution date.
- 1.7.5 Agree that any orders placed prior to volume changes referenced in 1.7.4 should be honoured by Carter's and an arrangement made to extend the delivery period to fulfil the original placed quantities.
- 1.7.6 Agree to cover any compensation due to The Specialist Works or affected advertiser(s)/third party incurred in the event of any cancellation or delay caused by Carter's. This can include compensation with regard to print costs media placement costs and associated fees already incurred. For clarification this will not include any wider liability, such as loss of sales.
- 1.7.7 Communicate any delays or problems with media orders to The Specialist Works within 24 hours, when possible.

- 1.7.8 Attempt to deliver weekly reports on all media orders (e.g. 200K Inserts have gone out in the first week of September, we expect the following 600K to distribute within the next 3 weeks).
- 1.7.9 Provide media specifications for services listed in 1.2.
- 1.7.10 Provide The Specialist Works with an affidavit document within 7 days of any media completion.
- 1.7.11 Provide necessary assets for The Specialist Works to promote Carter's effectively across email, websites, social platforms, and events. Carter's agrees to give consent, approval to be signed off by Carter's, to the use of their name and logos (as supplied) for The Specialist Works use to promote and market the services covered in 1.2 of this SOW. Assets may include logos, images, fonts, and colour schemes. [with sign off/approval]

## **2 Compensation:**

2.1 The Specialist Works will pay Carter's 80% of all revenue generated from each media advertisement sale.

- 2.1.1 For sales from direct clients, The Specialist Works will receive the full 20% commission.
- 2.1.2 For sales with a third-party agency, The Specialist Works will receive 10% of the commission and the third-party agency will receive the remaining 10% of the commission. This structure will aid in managing Carter's value in the market and allow for complete transparency.

2.2 Once an SOA has been provided by The Specialist Works, Carter's will send an invoice matching the SOA to The Specialist Works. Upon receipt of the invoice, The Specialist Works will agree to pay Carter's once they have received payment from the relevant advertiser or third party. The Specialist Works will share information with Carter's regarding agreed payment terms on each advertiser/third party booking made.

2.3 The SOA will be processed by the Financial Director at The Specialist Works and sent to the relevant parties at Carter's for approval.

## **3 Envelope Production for the package insert program:**

- 3.1 Carter's will supply envelope artwork created to the specifications provided by The Specialist Works, and The Specialist Works will approve prior to production.
- 3.2 The Specialist Works will manage any advertiser specifications to meet any necessary envelope requirements.

3.3 The purchasing and print production of the envelopes used to contain all participating advertisers will be managed by The Specialist Works.

All costs associated with the purchasing, print production and delivery of the envelopes will be the responsibility of Carter's. TSW will provide quotes to Carter's for all costs to be incurred, to be approved by Carter's in each instance.

3.4 The Specialist Works will deliver any envelopes to the Carter's facility at the agreed upon date for each month.

#### 4 Partnerships:

4.1 The Specialist Works will pursue large-scale and multi-tactic paid partnerships on behalf of Carter's to enhance Carter's customer engagement.

4.2 Building multi-platform partnerships to take to market will be the responsibility of The Specialist Works.

4.3 The Specialist Works will work with Carter's to develop new and innovative programs, delivering paid advertisers and incremental customer value to Carter's.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year indicated above.

THE WILLIAM CARTER COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

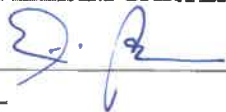
THE SPECIALIST WORKS LTD

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



MIRIAM PECHAR

VP, Strategy

12/3/2019



Ryan Ragan

Managing Partner Atlanta

12/3/2019