

Cosmopolitan Industries Pvt. Ltd.

Khajur Bagan Bara Ashulia, Savar, Dhaka-1341, Bangladesh

Tel: +8809611688187 Fax:

| Purchase Order | | | | | | 200018605(0) | |
|--|-----------------------------|--------------|--|------------|---|--------------------|--|
| VARDHMAN TEXTILES LIMITED CHANDIGARH ROAD, LUDHIANA INDIA, (MANUFACTURER / UNIT-AURO TEXTILES, SAI ROAD, BADDI, TEHSIL NALAGARH, DISTT. SOLAN (H.P) Tel No: 8894723446 Fax No: | | | PO No.: 2000186050 PO Date: 25-Aug-2020 PI No/Vendor Ref.: CIPL-03159 Shell Type: Direct LC | | First Delivery 07-Sep-2020 PO Qty: 17,415.00 MTR PO Amount: 60,255.9000 Currency: USD File No.: CIPL-03159 | | |
| Factory / Place of Delivery: Cosmopolitan Industries Pvt. Ltd. Khajur Bagan Bara Ashulia Savar Dhaka-1341, Bangladesh | | | Trade & Payment Terms: LC AT SIGHT Inco Term: Costs and freight Bangladesh | | | | |
| From : BDMRCH29 | | | Mode of Shipment : Road | | | | |
| SI No. | Material Description | Spec. | Qty | UOM | Unit Price | Amount | |
| 1 93% Cotton , 7% Spandex / 30SPX*30SPX / 160*94 / 290 gsm/ CW 51 INCH / Finished Width 53 INCH/ Skg -2% TO -7% FOR WARP AND WEFT AS +1 %TO -3.% / FINISH :- BST-XF/ | | | | | | | |
| Our Ref: FB2014-1(RM07102020-32-1/CIPL-03159) HS Code: 5209.32.00 Delivery Date: 07-Sep-2020 | | | | | | | |
| 1 | #32 BEIGE | | 11,953.00 | MTR | 3.46000 | 41,357.3800 | |
| 2 | #39 DARK BROWN | | 5,462.00 | MTR | 3.46000 | 18,898.5200 | |
| Sub Total | | | 17,415.00 | MTR | | 60,255.9000 | |
| Grand Total | | | 17,415.00 | MTR | | 60,255.9000 | |
| In Words: US Dollars Sixty Thousand Two Hundred Fifty-Five and Cent(s) Ninety only | | | | | | | |
| SHIP MARK PATTERN TO BE FOLLOWED FACTORY NAME: FILE #: COLOR: FABRICS DESCRIPTION: WIDTH: QUANTITY: ROLL NO: GROSS WEIGHT: COUNTRY OF ORIGIN: | | | | | | | |
| CONDITIONS TO BE FOLLOWED 1. ALL EXPENSES TOWARDS DUTIES, PENALTIES, DEMURRAGE AND HANDLING CHARGES ARISING DUE TO ANY MISDECLARATIONS OR VARIATIONS OBSERVED BY THE CUSTOMS AT THE TIME OF CLEARANCE AT THE DESTINATION REGARDING FABRIC WIDTH, GROSS / NET WEIGHT, QUANTITY & FABRIC DESCRIPTION WILL BE DEDUCTED AGAINST SUBSEQUENT INVOICES / LC DRAWINGS 2. Seller/Supplier shall issue a certificate mentioning PO/DC Date & Number, Bill of Lading Number/AWB Number, Invoice Number along with following information/detail to establish origin of cotton and/or any other material supplied against this PO: A. That the fabric(s) or any other material shipped under this PO have not been produced using part or whole of fibers/raw materials/intermediates or manufacturing facilities located in any of the restricted areas as defined by the United States of America, under any of the European Regulations, Domestic/International Laws/Regulations and/or determined by the Ultimate Buyer, whose order will be produced using materials supplied against this PO; B. That the cotton fiber used for the fabric(s) supplied under this PO are from Better Cotton Initiative (BCI) or BCI Cotton; C. The origin (country and province/state) of cotton fiber and/or any other material used for the fabric shipped against this PO. D. The name and address of yarn spinner (WARP/WALES and WEFT/COURSE) for the fabric shipped against this PO. E. The name and address of the weaving facilities used for the fabric shipped against this PO. F. The name and address of dyeing and processing facilities used for fabric shipped against this PO. In case any of the above certifications is proved incorrect, incomplete and/or misleading, the Seller/Supplier shall be solely responsible and liable to indemnify the Buyer (including its associate, holding, subsidiary and/or subsidiary of its holding/associate companies) towards all (direct and/or indirect) costs, expenses, damages, losses, claims, suits (including attorneys' fees) which may be incurred by the Buyer and/or Ultimate Buyer, as defined above. | | | | | | | |
| LAB-DIPS / LAB TESTS: 1. Lab-dips for all colors/patterns/prints must be submitted in 5 versions. 2. Lab-dips must be submitted in 7 days of giving you the original colors. 3. If the lab-dips are delayed by you or wrong lab-dips are submitted by you, any delay due to the same will be at your risk and no extension of delivery will be given. 4. If Lab Test requirements are not met, goods will not be accepted by us. 5. 8 Yards sampling from each color/pattern/prints from actual bulk must be submitted to us, 10 days before contract delivery date for us to obtain approval from Buyers. 6. Lab-dips are to be checked under following Lights 7. 5 yards for each color/pattern /prints from every dye lot to be submitted to obtain approval from buyers. 8. All lab test charges will be debited to your account @ 185 USD per pattern / color /print for each and every color specified in the contract (USD185X1=USD185.00) 9. We need each and every supplier to put their company seal at the beginning and end of each every roll and whatever our QC inspect the fabric they need to look for the seal and should not allow shipment without on same. | | | | | | | |
| No. of shipment allowed per shipping mark based on order quantity | | | | | | | |

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Purchase Order

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25,000 yds and below - 1 bulk shipment and 1 sample shipment 25,001 yds to 50,000 yds - 2 bulk shipment and 1 sample shipment 50,001 yds to 150,000 yds - 3 bulk shipment and 1 sample shipment

SHIPMENT:

In today's market conditions, If orders are short shipped more than 3% our clients will come back with claims up to 30% of garment FOB value, therefore if there is any short shipment of more than 3%, these claims will be passed on to you.

1. Three percent less in quantity per approved color/pattern per shipping mark are allowed. Over shipment will not be allowed. If shipped in excess of the order quantity, we are not bound to pay for the excess shipment of yardages.
2. At the time of loading the containers surveyors are to be in attendance & all relevant charges are to be borne by you. If the surveyors are not in attendance and surveyor's report is not provided, any shortage in the containers loaded by you will be to your account and will be debited to you.
3. This contract is valid only if the shipment is made in full. If partial delivery is given in advance and the balance goods are not delivered within the contracted shipment date, we reserve the right to withhold payment on the goods already shipped which will be of no use to us.
4. Payment will only be made after final shipment is effected.
5. INV + Packing list + Detail Packing List (Enclosed format) in Microsoft Excel File should be sent to us by mail by 2 P.M. 1 day prior to the vessel closing date. The mail should also mention the Vessel Name + ETD + ETA.
6. Bill of Lading or AWB draft copy must be mailed to us by 2 PM 1 day prior to closing date.
7. If shipment is by air, it must be carton packed or Gunny bag packing. If this is not followed our air forwarder will not arrange to air freight the cargo and we will do the packing at forwarder and charges for the same will be debited to you.
8. All shade lots should be approved by us. If all the shades are not approved by us, the payment will not be made.
9. Dye lot summary should be given at the bottom of the Packing List.
10. You need to put your company seal at the beginning and end of each and every roll and whenever our QC's inspect the fabric they need to look for the seal and should not allow any shipment without the same.
11. Non Negotiable documents should be couriered to our office 5 days after sailing date and Original Documents must be sent Bank to Bank 6 days after sailing date. If NN or Original documents are not sent on time we will debit you the demurrage charges/Production loss due to delay in clearance.
12. In the event of late delivery, you will bear the cost of air freighting the goods to the customer and you will also be responsible for any business losses incurred, or claims arising, as a result of the late delivery. Should the goods then be found short or substandard, you shall immediately make good the defect or deficiency within 7 days, or we will be entitled to replace the goods by airfreight at your expense. In the event of your delayed deliveries result in delivering the final products to our ultimate customer past the delivery date, you shall be responsible for the air freight of the garment shipments.

INSPECTIONS/QUALITY REQUIREMENT:

1. All the production fabric colors must be exactly the same as original colors or approved lab-dips.
2. All Lab-dips, Handlooms, strike-offs and production color must be matched /approved under specified lighting in writing by us.
3. Cut piece from every roll must be provided before inspection.
4. 30 yards per pattern/color must be provided to us at least 10 days before contract delivery date. This will be sent by DHL/Courier by you Freight prepaid directly to our factories as mentioned in the contract.
5. Inspection report issued against this contract are only done at random and do not exonerate supplier from claims due to substitution defects and shortage in goods stated above.
6. All bulk fabric colors/prints/patterns minimum 2 yds each must be delivered to us 7 days before above delivery date for lab testing purposes. If bulk fabric is not given to us accordingly the consequences of delays will be at your own risk.

7. COPY OF "PASS" FINAL RANDOM INSPECTION (FRI) CERTIFICATE ISSUED BY BUREAU VERITAS HONG KONG LIMITED AND SIGNED BY AUTHORIZED SIGNATORY FOR PRESENTATION.

OR

IN CASE OF "FAILED" FINAL RANDOM INSPECTION (FRI) CERTIFICATE WHICH IS ACCEPTED BY ALPHA START LTD / EPIC DESIGNERS LTD. THE BENEFICIARY NEEDS TO SUBMIT THE FOLLOWING FOR PRESENTATION

1. COPY OF "FAILED" FINAL RANDOM INSPECTION (FRI) CERTIFICATE ISSUED BY BUREAU VERITAS HONG KONG LIMITED AND SIGNED BY AUTHORIZED SIGNATORY
2. WRITTEN CONFIRMATION FROM ALPHA START LTD OR EPIC DESIGNERS LTD OVERRIDING THE FAILED INSPECTION ALONG WITH A LETTER OF GUARANTEE FROM THE BENEFICIARY UNDERTAKING FULL RESPONSIBILITY TO COMPENSATE FOR ANY LOSSES SUFFERED DUE TO THE ABOVE SHIPMENT.

CONTRACT TERMS:

1. Contract have to be signed back in original status. Any amendment to our original will render the contract void.
2. All instructions, scanned copies of signed documents including purchase order may be transmitted electronically via email and the same will be treated as original signed copies.
3. Please return all the order copies to us duly signed and stamped with the company chop within 7 days.
4. Any delay in sign back of the contract will automatically result in delay in issuing L/C.

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5. Any shipment delays due to delayed sign back will not be accepted.

6. The supplier hereby agrees that in consideration of fixing the price of the fabric in the Purchase Order(s), shall not seek any revision in prices for this contract and accepts that the price negotiated are final.

6. Further, the supplier agrees that if it fails to comply with any obligation to fulfill the Purchase Order(s) with the Fabric at the agreed price, the supplier shall pay to Alpha Start or their nominees or group companies within Epic Group the liquidated damages calculated as the difference between the Agreed Price for the Fabric to be supplied under the particular Purchase Order(s) and the price at which Alpha Start under that Purchase Order(s) is able to obtain from alternate sources of the same specification and standard.

LC TERMS:

1] Signed commercial Invoice in 1 original plus 3 copies showing.

a) The L/C number and name of issuing bank.

2] Condition for the roll length (a) 40 yds to 60 yds - not more than 15% of the total rolls. (b) over 60 yds till 100 yds - not more than 25% of the total rolls. (c) 100 yds & over - should be at least 60% of the total rolls.

3] Fabric roll under 40 yds is not acceptable.

4] Beneficiary s signed certificate certifying that fabric rolls are of continuous fabric and no joints inside each roll.

5] Beneficiary s signed certificate certifying that all face side of bulk fabric yardage has been marked with sticker for identification.

6] Inspection Certificate

(a) Issued by the applicant and signed by authorized signatory of Alpha Start Ltd.

This certificate does not exonerate the supplier from claim due to substitution, defaults and shortage in goods stated above, or

(b) Issued by the applicant and signed by authorized signatory of Alpha Start Ltd., must be submitted along with the Letter of Guarantee signed by beneficiary for negotiation.

7] Statement of delivery of cargo from the beneficiary stating all goods as per applicants contract number mentioned above were shipped in good order and condition and in full quantity and that if there are any shortages, claim & defect in quantity shipped. They will be liable for the same.

8] Beneficiary s signed certificate countersigned by Mr. Ranjan Mahtani or authorized signatory of Alpha Start Ltd. (whose signature must be in conformity with L/C issuing banks record) confirming receipt of mates receipt.

LC Terms & Conditions:

1] All bank charges including L/C opening charges, Hong Kong bill commission, amendment charges are for the account of the Beneficiary and will be deducted from the proceeds upon making payment by issuing bank.

2] 3% less in quantity per color and L/C amount are acceptable quantity and amount drawn in excess of L/C are not acceptable.

3] Details quantity, breakdown and shipment date as per applicants contract number mentioned above.

4] For Beneficiary information, acceptance of the L/C automatically signifies acceptance and confirmation of all details as per applicants contract mentioned.

5] A deduction of USD185.00 per color being lab-test charges will be deducted from the proceeds and remit to applicant upon making payment by issuing bank upon first drawing.

6] In case of air shipment, shipment must be made within 15 days from original shipment date with freight prepaid.

7] This contract indicates the trade term is the mutual agreement between applicant and beneficiary. Any charges involved will be settled direct between applicant and beneficiary. The bank CAI, Hong Kong does not guarantee any payment which is outside this credit.

Fabric Standards to be followed:

1] The lab testing requirement attached forms an integral part of this contract.

2] Please see attached Fabric Testing Standards.

Indemnity & Guarantee:

You will guarantee that the goods delivered under this PO strictly conform to the product specifications and approval parameters as laid down by the respective buyers. If the goods delivered are found be defective and/or non-compliant with regard to the buyer s specifications and/or the US regulations, you agree to fully indemnify Alpha Start Limited or its ultimate customers against all costs including but not limited to the total FOB value of the product from the ultimate customer.

(Please see next page for agreement and sign for confirmation)

By signing this PO, the Supplier confirms that it has read, fully understood, and hereby agrees to the specific terms of this PO (including the Appendix) and the Buyer's General Terms contained in the following link: [Terms & Conditions](#)

FOR AND BEHALF OF

Cosmopolitan Industries Pvt. Ltd.

ACCEPTED AND CONFIRMED BY

VARDHMAN TEXTILES LIMITED

Appendix

1. Open account / document acceptance

- a. The following documents must be submitted by the Supplier to the Buyer a maximum of 5 days after shipment as part of the payment process:
- Commercial Invoice (1 original and 5 copies) duly signed by the Supplier, certifying the origin of the Goods and showing the L/C number and name of issuing bank. Actual prepaid freight amount has to be shown separately on the commercial invoice.
 - A pass Inspection Report from the Buyer's nominated third-party inspection company (the fabric inspection is based on the American 4 Points System. An original pre-shipment inspection certificate to be issued by the Supplier stating that the quality of the fabric described in the commercial Invoice corresponds to the requirement and specifications of the Buyer's customer. In the event of any rejection by the Buyer's customer of the assembled garments related to the goods of this PO, the losses sustained by the Buyer will be fully compensated by the Supplier.
 - A self-declared certificate issued by the Supplier agreeing that the inspection of the ordered fabric is done at random. The Supplier understands and agrees that this random inspection does not exonerate the Supplier from all claims due to substitution, defaults and shortages in goods stated above.
 - One original and two copies of detailed Packing List indicating the roll numbers, the colour, the shade, the dye lot number, the yardage per roll, and the width of each roll.
 - A Certificate of Origin of the supplied goods signed by the relevant authorities of the exporting country.
 - A Bill of Lading (for sea shipment) or an Airway Bill (for air shipment).
 - A self-declaring Certificate from the Supplier confirming that no forced labour has been used while manufacturing the Goods.
 - A self-declaring Certificate from the supplier confirming that the Goods were manufactured or sourced in accordance with the relevant law and regulations for the applicable shipment.
 - A container surveyors' report.
 - A dated shipment advice showing name of carrying vessel/flight details, date of Shipment, Bill amount, LC number.
 - Supplier's certificate certifying that one set of approved Dye lots for each colour (before and after wash) has been couriered to the Buyer. The copy of the airway bill/courier receipt along with the e-mail informing the Buyer will be required for presentation.
 - Supplier's certification that each and every fabric roll is of continuous length with no jointing parts, and is not below 40 Yards in length.
 - Supplier's certification that all face side of bulk fabric yardage has been marked with sticker for identification.
 - Supplier's certification that fabrics of each and every roll has been stamped (with the Supplier's company seal) at the beginning of the roll and at the end of the roll.
 - Supplier's certification that the dye lots which are shipped as per the dye lots approved by the Buyer's nominated third-party inspection company and or the Buyer's ultimate Customer.
 - Supplier certification that each and every roll is wrapped and packed in a double layer waterproof, air-tight polythene sheet, in order to avoid any water or humidity-related damage during transit.
 - For sea shipment, shipment by a vessel under an Israeli flag is prohibited. A certificate from the shipping company or its agent required to this effect.
- b. If any of the documents listed at point 1(a) above is proved incorrect, false or incomplete, the Supplier shall be solely responsible and liable to indemnify the Buyer (including its associates, holding, subsidiary and/or subsidiary of its holding/associate companies) for all (direct and/or indirect) costs, expenses, damages, losses, claims, suits (including attorneys' fees) which may be incurred by the Buyer.

2. Letter of Credit

- a. Acceptance of L/C shall be deemed as acceptance of terms of this PO.
- b. For LC payment, Non-Negotiable documents (NN) should be **e-mailed** to Buyer's office 3 days after the sailing date in case of sea shipment or 1 day after shipment in case of air shipment.
- c. One set of original non-negotiable shipping documents to be sent **by any international courier** to the Buyer (i.e. the Applicant of the LC) within 05 (five) working days after shipment. Courier receipt and Supplier's (Beneficiary's) compliance certificate to this effect is required. The same must be sent by courier from Bank to Bank 5 days after the shipment date.
- d. If NN or original documents are not sent on time, Supplier will be liable for any demurrage or other charges incurred/suffered by the Buyer due to any delay during custom clearance at the destination.
- e. The following documents need to be provided by the Supplier as part of the documentation process:
- Commercial Invoice (1 original and 5 copies) duly signed by the Supplier, certifying the origin of the goods and showing the L/C number and name of issuing bank. Actual prepaid freight amount has to be shown separately on the commercial invoice.
 - A pass Inspection Report from the Buyer's nominated third-party inspection company (the fabric inspection is based on the American 4 Points System. An original pre-shipment inspection certificate to be issued by the Supplier stating that the quality of the fabric described in the commercial Invoice corresponds to the requirement and specifications of the Buyer's customer. In the event of any rejection by the Buyer's customer of the assembled garments related to the goods of this PO, the losses sustained by the Buyer will be fully compensated by the Supplier.
 - A self-declared certificate issued by the Supplier agreeing that the inspection of the ordered fabric is done at random. The Supplier understands and agrees that this random inspection does not exonerate the Supplier from all claims due to substitution, defaults and shortages in goods stated above.
 - One original and two copies of detailed Packing List indicating the roll numbers, the colour, the shade, the dye lot number, the yardage per roll, and the width of each roll.
 - A Certificate of Origin of the supplied goods signed by the relevant authorities of the exporting country.
 - A Bill of Lading (for sea shipment) or an Airway Bill (for air shipment)
 - A self-declaring Certificate from the Supplier confirming that no forced labour has been used while manufacturing the goods.
 - A self-declaring Certificate from the Supplier confirming that the Goods were manufactured or sourced in accordance with the relevant law and regulations for the applicable shipment.
 - A container surveyors' report.
 - A dated shipment advice showing name of carrying vessel/flight details, date of Shipment, bill amount, LC number.
 - Supplier's certificate certifying that one set of approved Dye lots for each colour (before and after wash) has been couriered to the Buyer. The copy of the airway bill / courier receipt along with the e-mail informing the Buyer is required for presentation.
 - Supplier's certification that each and every fabric roll is of continuous length with no jointing parts, and is not below 40 Yards in length.
 - Supplier's certification that all face side of bulk fabric yardage has been marked with sticker for Identification.
 - Supplier's certification that fabrics of each and every roll has been stamped (with the Supplier's company seal) at the beginning of the roll and at the end of the roll.
 - Supplier's certification that the dye lots which are shipped as per the dye lots approved by the Buyer's nominated third-party inspection company and or the Buyer's ultimate Customer. Supplier certification that each and every roll is wrapped and packed in a double layer waterproof, air-tight polythene sheet, in order to avoid any water or humidity-related damage during transit. This certificate to be submitted to bank for negotiation with other documents.
 - For sea shipment, shipment by a vessel under an Israeli flag is prohibited. A certificate from the shipping company or its agent required to this effect.
- f. If any of the documents listed at point 2(e) above is proved incorrect, false or incomplete, the Supplier shall be solely responsible and liable to indemnify the Buyer (including its associates, holding, subsidiary and/or subsidiary of its holding/associate companies) for all (direct and/or indirect) costs, expenses, damages, losses, claims, suits (including attorneys' fees) which may be incurred by the Buyer.
- g. All bank charges including L/C opening charges, amendment charges shall be borne by the Supplier and will be deducted from any amount payable to the Supplier.

3. Origin of materials

As part of the compulsory documentation listed above, Supplier shall also issue a self-declaring certificate in English (mentioning the references of the PO and/or LC, i.e. Date & Number, Bill of Lading Number or AWB Number, Invoice Number) along with following information to establish the origin of any material supplied against this PO. This certificate must mention:

- That any material shipped under this PO has been sourced and manufactured in accordance with the relevant law and regulations for the applicable shipment.
- That the cotton fibre (if any) used for the fabric(s) supplied under this PO complies with standards equivalent to, or higher than, Better Cotton Initiative Standards.
- The origin (country and province/state) of cotton fibre and/or any other material used for the fabric shipped against this PO.
- The name and address of yarn spinner (WARP/WALES and WEFT/COURSE) for the fabric shipped against this PO.
- The name and address of the weaving facilities used for the fabric shipped against this PO.
- The name and address of dyeing and processing facilities used for fabric shipped against this PO.
- If any of the above certifications is proved incorrect, false or incomplete, the Supplier shall be solely responsible and liable to indemnify the Buyer (including its associates, holding, subsidiary and/or subsidiary of its holding/associate companies) towards all (direct and/or indirect) costs, expenses, damages, losses, claims, suits (including attorneys' fees) which may be incurred by the Buyer.

4. Quality Requirements and Inspections

- All lab-dips, handlooms, strike-offs and production colour must be matched / approved under the specified light source.
- All roll headers must be ready for the Buyer's nominated third-party inspection company.
- Copy of a pass inspection report issued by the Buyer's nominated 3rd party inspection company and signed by Supplier authorized signatory for presentation to the Bank.
- In case of a failed inspection report, Supplier must seek written approval from the Buyer in order to ship the Goods. In case the Buyer permits to ship the Goods against failed inspection report, the Supplier shall submit the following for presentation to the Bank:

- o A written confirmation by the Buyer overriding the failed inspection.
- o A letter of guarantee from the Supplier undertaking full responsibility to indemnify Buyer for any losses suffered due to the above shipment.

5. **Lab dips, strike offs, handlooms, lab tests, sample yardage and bulk approval**

- 30 yards per colour/pattern sample yardage for all goods must be sent in one lot. The relative copy of air waybill or courier receipt mentioning 'freight Prepaid' must be presented along with the original documents. The beneficiary shipment advice (email) copy informing the dispatch details of the samples with airway bill no./estimated time delivery/eta should be presented along with the original documents.
- Lab-dips / strike-offs / handlooms for all colours/patterns/prints must be submitted in 5 versions within 7 days after receipt of colour standards.
- Lab test need to meet Buyer's requirements.
- 5 yards sampling from each colour/pattern/prints from actual bulk must be submitted to Buyer for approval prior to shipment, one week prior to shipment.
- It is mandatory to have the Buyer's approval for all shade lots prior to shipment.

6. **Allowed roll lengths per shipment**

| Roll length | Maximum % authorized out of the total number of rolls |
|--------------------------|---|
| Below 40 yards | 0% (Not acceptable to have roll below 40 yards in length) |
| From 40 to 60 yards | 15% |
| From 60 to 100 yards | 25% |
| From 100 yards and above | 60% |

- Supplier must provide a signed certificate confirming that the fabric rolls are of continuous fabric and have no joints inside each roll.
- Supplier must provide a signed certificate confirming that all face sides of bulk fabric yardage have been marked with stickers bearing the file number, the PO number, the color, the roll number, the lot number, the date of production, for the Buyer's easy identification.
- Following is the number of shipments allowed per shipping mark based on order quantity. This should be followed strictly as per the contracted PO shipment date(s):
 - o 25,000 yds and below - 1 bulk shipment and 1 sample shipment
 - o 25,001 yds to 50,000 yds - 2 bulk shipment and 1 sample shipment
 - o 50,001 yds to 150,000 yds - 3 bulk shipment and 1 sample shipment

7. **Supply-Chain Traceability**

- For seven years or such longer period as advised by the Buyer, the Seller shall (i) maintain manufacturing and traceability records by lot number of every batch of the Seller's Goods, setting out in detail the production steps, manufacturing date and the origin of each component or element comprising its Goods and (ii) provide the Buyer, or any third party authorized by the Buyer, with a copy of such records within 24 hours of the Buyer's written request.
- Prior to shipment of each batch of Goods the Seller shall return to the Buyer a completed copy of the following declaration in the format below:

| | STEPS | WHO / Companies names required | PO No. / Sales Contract No. | Test Report No. | Proof of Payment (Date and Bank Reference No. of TT or bank transfer) | Transportation document (date and number) | Affidavit (Written statement which is sworn to be true) |
|---|---|--------------------------------|-----------------------------|-----------------|---|---|---|
| A | Cotton Farm | | | | | | |
| B | Ginner / Cotton Seller | | | | | | |
| C | Cotton Importer | | | | | | |
| D | Spinner | | | | | | |
| E | Supplier/Seller of Fabric | | | | | | |
| F | Dyeing and Weaving | | | | | | |
| G | Processing and Finishing | | | | | | |
| H | Transport Finish Fabrics to Garment Maker | | | | | | |
| I | Fabric Importer for Garment Manufacturing | | | | | | |
| J | Garment Exporter to the end customer | | | | | | |

- The Seller acknowledges that any failure on its part to maintain the above-mentioned manufacturing and traceability records for its goods, as may be required by the Buyer to satisfy the compliance or due diligence requirements of (i) the Buyer's customers and/or (iii) governmental authorities, shall be treated as a material breach of the Buyer's general terms of purchase. All direct and consequential damages, penalties and costs incurred by the Buyer associated to the Seller's failure to maintain the said traceability records shall be compensated by the Seller.

8. **Other Terms**

- Only a maximum of three (3) percent shortage in quantity per colour per shipping mark is allowed. Over shipment is not allowed.
- Any shortage in the quantity loaded in the containers will be the sole and entire responsibility of the Supplier, who will compensate the Buyer for the shortage.
- This contract is valid only if the order is supplied in full. In case of incomplete delivery by contracted shipment date, the Buyer reserves its right to withhold payment for the goods already shipped to or received by Buyer.
- For the Buyer's internal control, the Commercial Invoice, detailed Packing List should be sent to Buyer by e-mail on or before the shipment date. The mail should also mention the Vessel Name, Estimated Time of Departure from origin, Estimated Time of Arrival at the destination. Physical copies of the said invoice shall also be sent to the Buyer as mentioned above.
- For non-LC shipment, a draft Bill of Lading or an Air Waybill draft copy must be mailed to the Buyer 1 day prior to the vessel closing date.
- In case of delay in delivery, the Supplier will bear the cost of air freight and will be responsible for any loss of business that the Buyer may suffer because of the Supplier's delayed delivery. Should the Goods be found short or substandard, the Supplier shall immediately make good on the defect(s) or deficiencies immediately, and will be responsible to replace the goods by airfreight at the Supplier's expense to either the specified destination of the fabrics or the specified final destination of the finished goods. In the event the Supplier's delay results in the Buyer delivering the Goods to the Buyer's customer after the expected delivery date, the Supplier shall bear the cost of air freight for those goods.

-----End of Appendix-----