

PCC ASIA LIMITED

Terms and Conditions of Sale

1. **Definitions.** Capitalized terms used in these Terms and Conditions of Sale are defined below.

“**Agreement**” means Seller’s Sales Contract.

“**Buyer**” means the person or entity buying the Products.

“**Delivery**” means, unless otherwise agreed in the Agreement by the Seller and the Buyer, Hong Kong and “**Delivered**” and “**Deliver**” shall be construed accordingly, unless otherwise agreed between the Buyer and Seller.

“**Products**” means the goods (including any installment of the goods) which Seller is to supply in accordance with the Agreement.

“**Seller**” means PCC Asia Ltd., a Chargeurs PCC company

“**Specification**” means the specification for the relevant Product presented by Seller to Buyer.

“**Terms**” means the standard terms and conditions of sale set out in this document.

“**Transaction Certificate**” means the Transaction Certificate issued in accordance with the policy of Global Organic Textile Standard (GOTS) as at the date of the Agreement.

2. **Basis of the Sale**

2.1 These Terms shall govern the purchase and sale of the Products to the exclusion of any terms and conditions submitted by Buyer (including, without limitation, Buyer’s standard terms of purchase or any purported terms and conditions included in Buyer’s Purchase Order). To the extent of any conflict between these Terms and the provisions of any Buyer-provided document, these Terms shall prevail.

2.2 No amendment of these Terms shall be binding upon Seller or Buyer unless agreed in writing by authorized representatives of Seller and Buyer.

3. **Purchase Orders and Specifications**

3.1 Buyer shall be responsible to Seller for ensuring the accuracy of the terms of the Agreement (including any applicable Specification) submitted by Buyer and for giving Seller any necessary information relating to the Products within a sufficient time to enable Seller to perform the Agreement in accordance with its terms.

3.2 Unless otherwise agreed in writing, the properties of specimens and samples provided by Seller to Buyer are non-binding, and the quantity, quality and description of the Products shall be those set out in the Agreement and the Specification.

3.3 Unless otherwise agreed in writing between Seller and Buyer, Buyer shall be responsible for compliance with all laws and regulations regarding import, transport, storage and use of the Products.

3.4 The Buyer may request the Seller to provide a Transaction Certificate for certified products but any request for a Transaction Certificate must be raised by the Buyer when ordering such that the request is expressly marked on the Agreement. Any subsequent request for Transaction Certificate will not be

admissible. The Buyer shall pay to the Seller an additional fee for issuing a Transaction Certificate.

3.5 The Agreement may not be cancelled by Buyer except with the agreement in writing of Seller.

4. **Price of the Products**

4.1 The price of the Products shall be the price set out in the Agreement.

4.2 Seller reserves the right, by giving notice to Buyer at any time before Delivery, to increase the price of the Products to reflect any increase in the cost to Seller occasioned by any change in Delivery dates, quantities or specifications for Products which is requested by Buyer and agreed to by Seller, or by any delay caused by instructions of Buyer or failure of Buyer to give Seller accurate information or instructions.

4.3 Unless otherwise agreed in writing between Buyer and Seller, Buyer shall pay all taxes related to the sale and purchase of the Products (other than taxes on the income of Seller), including, but not limited to sales, use, excise, value added, or any other direct or indirect tax of a similar nature levied by any federal, state, county, municipal or national jurisdiction. If Seller is required to collect and/or pay any such taxes Buyer shall pay Seller for the full amount thereof.

5. **Payment Terms**

5.1 Unless otherwise agreed in the Agreement, Seller shall be entitled to invoice Buyer for the price of the Products on or at any time after Delivery of the Products.

5.2 Buyer shall pay the price of the Products with 50% when placing the order and 50% at delivery according to the delivery terms stipulated in the Agreement, unless otherwise agreed in writing between Buyer and Seller. The time of payment shall be of the essence. All payments shall be made in full, in U.S. dollars (unless another specified currency is agreed in the Agreement) without deduction in respect of any set-off or counterclaim and irrespective whether the Buyer has wholly or partially returned the Products.

5.3 If Buyer fails to make any payment on or before the due date, then without prejudice to any other right or remedy available to Seller, Seller shall be entitled to: (a) cancel the Agreement or suspend any further deliveries to Buyer; and/or (b) charge Buyer interest (both before and after any judgment) on the amount unpaid, at the rate of 2% per month, until payment is made.

5.4 Buyer shall pay to Seller, on demand, all reasonable costs of collection, including, without limitation, reasonable attorneys’ fees incurred by Seller, in collecting any sums due to Seller under the Agreement and not timely paid by Buyer.

6. **Delivery**

6.1 Seller shall use reasonable commercial efforts to deliver the Products by the estimated date for Delivery set forth in the Agreement, but such date is not guaranteed, nor shall the time for Delivery be of the essence unless previously agreed by Seller in the Agreement. The estimated date for Delivery shall be extended by a reasonable period if there is any event of Force Majeure as defined in Section 9 of these Conditions. The Products may be

delivered by Seller in advance of the estimated Delivery date upon giving reasonable notice to Buyer. The Buyer shall not be entitled to claim for damages if the Product is not delivered by that delivery date agreed in the Agreement. The Buyer may only be entitled to cancel the Agreement for the Products not delivered in time in case the late delivery exceed [sixty (60)] days, without any other damages due by the Seller to the Buyer.

6.2 Where the Products are to be Delivered in installments, each Delivery shall constitute a separate contract, and failure by Seller to Deliver any one or more of the installments in accordance with these Terms or any claim by Buyer in respect of any one or more installments shall not entitle Buyer to treat the Agreement as a whole as repudiated.

6.3 If Buyer fails to take Delivery of the Products or fails to give Seller accurate Delivery instructions for insertion in the Agreement, then without prejudice to any other right or remedy available to Seller, Seller may:(a) store the Products until actual Delivery and charge Buyer for the reasonable costs (including insurance) of storage; or (b) sell the Products at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) charge Buyer for any shortfall below the price under the Agreement.

6.4 Shipment can be withheld at the expenses of Buyer subject to due payment received on all unshipped Products as of shipment closing date.

6.5 Risk of damage to or loss of the Products shall pass to Buyer upon Delivery. Customs clearance for export contract is on Buyer's own risk and account.

7. Notification of Claims

7.1 Buyer must conduct appropriate inspection of all Products delivered to confirm the quality and quantity prior to any use of the Products.

7.2 Buyer shall notify Seller in writing of any claim which is based on any defect in the quality or condition of the Products or their failure to correspond with the Specification within thirty (30) days following the date on which Buyer receives the Products to which the claim relates. Failure of Buyer to provide notification within such thirty (30) days period shall constitute an irrevocable waiver of Buyer's right to assert any such claim. If Seller accepts the claim of Buyer aforesaid, Buyer must at its own costs return the defective Products to Seller within thirty (30) days after Seller gives notification of acceptance of claim to Buyer.

7.3 The Buyer shall be responsible for providing any and all evidence of any defects or anomalies found. Should they fail to abide by the above mentioned prescriptions, the Buyer shall lose their right to avail themselves of the defect.

7.4 If Buyer does not notify Seller of any claim or fails to return the defective Products in accordance with the provisions of Section 7.2, Buyer shall not be entitled to reject the Products, Seller shall have no liability for any defects or failure to conform to the Specification, and Buyer shall be bound to pay the price as if the Products had been Delivered and received in accordance with the Agreement.

7.5 Products are not returnable if fully spread or cut in pieces or made to order, dyed to match or printed.

8. Warranties, Liability and Remedies

8.1 Seller warrants that the Products will conform to the Specification, and will be free from defects in material and

workmanship, on Delivery and for such period after Delivery (if any) as set out in the Agreement or the Specification.

8.2 The above warranty is given by Seller subject to the following conditions:(a) Seller shall be under no liability in respect of any defect in the Products arising from any specification supplied by Buyer unless incorporated in the Specification; (b) Seller shall be under no liability in respect of any defect arising from Buyer's willful act, negligence, or failure to follow Seller's written storage instruction, misuse or alteration of the Products without Seller's approval; (c) Seller shall be under no liability under the above warranty (or any other warranty, condition or guarantee) if the total price for the Products has not been paid by the due date for payment; and (d) Seller shall be under no liability after the expiry of a period of thirty (30) days from the date of delivery of the Products to Buyer.

8.3 If Buyer notifies Seller of any valid claim within the deadline and under the terms set out in section 7.2 and 8.2 in respect of any of the Products which is based on any defect in the quality or condition of the Products or their failure to meet the Specification, Seller shall, in accordance with these Terms, including, without limitation, Section 7, at its sole discretion, either (a) replace the Products free of charge (excluding shipping costs) upon return of the Products to Seller in accordance with Seller's instructions and at Seller's cost, or (b) refund to Buyer the price of the Products (or a proportionate part of the price), provided that Buyer must at its own costs return the defective Products to Seller within thirty (30) days after such notification of acceptance of claim to Buyer and Seller shall have no further liability to Buyer in respect of such Products.

8.4 Buyer acknowledges that it has entered into the Agreement in reliance only on the representations, warranties, promises and terms contained or expressly referred to in these Terms and, except as expressly set forth in these Terms, Seller shall have no liability in respect of any other representation, warranty or promise made prior to the date of the Agreement.

8.5 THE WARRANTIES SET FORTH HEREIN WITH RESPECT TO THE PRODUCTS ARE THE ONLY WARRANTIES MADE BY SELLER IN CONNECTION WITH THE PRODUCTS. SELLER MAKES NO OTHER WARRANTIES OR REPRESENTATIONS TO BUYER OR ANY OTHER PERSON OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS, AND SELLER SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

8.6 IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, STATUTORY, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF USE, LOSS OF TIME, INCONVENIENCE, LOSS OF BUSINESS OPPORTUNITY, DAMAGE TO GOODWILL OR REPUTATION, OR LOSS OF DATA, ARISING OUT OF, OR AS A RESULT OF, THE SALE, DELIVERY, USE OR LOSS OF THE PRODUCTS, REGARDLESS OF WHETHER ANY SUCH ALLEGED LIABILITY IS BASED ON BREACH OF CONTRACT, TORT, STRICT LIABILITY, OR OTHER THEORY OR DOCTRINE, AND EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR SUCH DAMAGES COULD HAVE BEEN REASONABLY FORESEEN.

8.7 SELLER'S ENTIRE LIABILITY IN RESPECT OF ALL DEFAULTS SHALL BE LIMITED TO AN AMOUNT EQUAL TO THE VALUE OF ANY SUMS PAID BY BUYER FOR THE DEFECTIVE PRODUCTS.

9. Force Majeure

Seller shall not be liable to Buyer or be deemed to be in breach of the Agreement by reason of any delay in performing, or any failure to perform, any of Seller's obligations in relation to the Products, if the delay or failure was due to any cause beyond Seller's reasonable control. Without limiting the generality of the foregoing, the following shall be regarded as causes beyond Seller's reasonable control: (a) Act of God, explosion, flood, tempest, fire or accident; (b) strikes, lockouts or other industrial actions or trade disputes (whether involving employees of Seller or third parties); (c) war or threat of war, sabotage, insurrection, civil disturbance or requisition, port congestion, strikes or labour disturbances; (d) import or export regulations or embargos or any delays related to customs clearance; (e) difficulties in obtaining raw materials, labor, fuel, parts or machinery so long as such difficulties are at least regional in scope and impact; (f) power failure or breakdown in machinery; and (g) epidemic or pandemic.

10. Intellectual Property

10.1 By purchasing the Products, Buyer shall not obtain any rights to any intellectual property in or relating to the Products including, without limitation, any trademarks, copyright, patents, trade secrets or other proprietary or intellectual property rights and, where such intellectual property is capable of registration, whether or not the same is registered.

10.2 Buyer agrees that the trademarks or brands under which the Products are delivered may not be reproduced or used for any products derived from them or used in any other way except with the prior written consent of Seller.

10.3 Seller has not knowingly infringed any intellectual property rights of any third party in connection with its manufacture or sale of the Products, but does not warrant or give any assurance to Buyer that any intellectual property in or relating to the Products does not infringe the intellectual property rights of any third party.

11. Indemnity

Buyer shall indemnify, defend and hold harmless Seller and its officers, directors, employees, and agents from and against any and all third party demands, claims, actions, proceedings, suits, assessments, losses, damages, liabilities, judgments, fines, penalties, settlements, costs and expenses (including reasonable attorneys' fees) arising out of: (a) Buyer's use, sale, ownership,

transportation or disposal of the Products, either independently or as a component of another product; or (b) any actual or alleged violation by Buyer of any applicable statute or regulation of any jurisdiction relating to the Products, including, without limitation, statutes and regulations governing product safety, labor practices, labeling, packaging, import and export.

12. General

12.1 Any notice to either party under the Agreement shall be in writing signed by or on behalf of the party giving it and shall, unless delivered to a party personally, be left at or sent by prepaid first class mail with required evidence of receipt, or sent by recognized courier service, email, or fax to the address of the party. Notices to Buyer and Seller shall be sent to the addresses specified in the Agreement, as applicable.

12.2 No single or partial exercise, or failure or delay in exercising any right, power or remedy by any party shall constitute a waiver by that party of, or impair or preclude any further exercise of, that or any other right, power or remedy arising under the Agreement or otherwise.

12.3 To the extent that any provision of the Agreement is found by any court or competent authority to be invalid, unlawful or unenforceable in any jurisdiction, that provision shall be deemed not to be a part of the Agreement, it shall not affect the enforceability of the remainder of the Agreement nor shall it affect the validity, lawfulness or enforceability of that provision in any other jurisdiction.

12.4 Any reference in the Agreement to any provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time.

12.5 The Agreement sets out the entire agreement and understanding between the parties and supersedes all prior agreements, understandings or arrangements (whether oral or written) in respect of the subject matter thereof.

12.6 The Agreement shall be governed by and construed in accordance with the law of Hong Kong Special Administrative Region, without giving effect to its conflicts of laws principles. Any dispute arising in connection with the Agreement that is not resolved by the parties themselves shall be subject to the exclusive jurisdiction of the courts of Hong Kong Special Administrative Region, and each party submits to the jurisdiction of such courts. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to the Agreement.