

TERMS AND CONDITIONS

ETHICS POLICY

Engagement of labour

Harris Scarfe maintains high ethical standards in labour engagement and requires its valued supplier as well to adhere to Local and International labour standards.

It is required that all factories / manufactures / importing agents supplying and manufacturing our product / merchandise must carry out at their own expense Internationally recognised factory Compliance Audits as approved by ILO and Local regulations. Each supplier must provide Harris Scarfe a copy of this approved audit to verify its compliance.

Cancellation of Contract

Harris Scarfe reserves the rights to cancel any Contract / Confirmed orders should the factory audit certificate not be provided or found fraudulent or notified that the overseas suppliers are found to be exploiting labourers.

COMMERCIAL TRADING TERMS

Harris Scarfe Australia Pty Ltd

By accepting a purchase order from Harris Scarfe Australia Pty Ltd, you agree to the Terms and Conditions set out here in and for future purchase orders, until such time Harris Scarfe Australia Pty Ltd advises you of a change in the terms of purchase.

Harris Scarfe Australia Order Terms & Conditions

Orders must be made on an official order form and signed by an authorised officer from Harris Scarfe, with the exception of Electronic Data Interchange (EDI) orders. Additionally, in accepting a purchase order with Harris Scarfe Australia Pty Ltd verbal orders or written indications by a Buyer do not constitute an official order and will NOT be recognized as an official commitment by Harris Scarfe.

The Supplier warrants that it is the true author of and owner of all right title and interest in the design of the goods, the subject of this order including / excluding all right title and interest in the design of the fabric, in which the goods are to be supplied. The supplier shall indemnify and keep indemnified Harris Scarfe, its directors, officers and employees from all damages, cost, expenses and losses of any nature whatsoever suffered by Harris Scarfe including court costs and legal fees (on an solicitor / client basis resulting from any claim that the goods infringe any right, including any industrial or intellectual property right, of a third party.

The Supplier acknowledges that all right title and interest in the design of the goods including by not limited to copyright and design is owned by Harris Scarfe. The supplier acknowledges that it requires no interest in or license to any industrial or intellectual property in the goods by virtue of these terms and conditions or as a result of the order places with it by Harris Scarfe.

The supplier warrants the goods supplier pursuant to this order will:

- Conform to the requirements and specifications set on the face of this order in all aspects.

- Correspond with any description of the same on the face of the order.
- Correspond with any sample of the same by which or with reference to which the same are ordered.
- Be of merchantable quality.
- Be fit for the purpose of retail sales in each State and Territory of Australia and New Zealand and free from any defect (notwithstanding that any sample may be subject to a defect not obvious on examination of sample).
- Comply with any applicable prescribed Consumer Product Information Standard and with any applicable prescribed Consumer Product Safety Standard.
 - Be such composition and content
 - Be marked, branded, stamped and labelled
 - Bear such trade description or descriptions
 - As will ensure that the Goods comply with the requirements of any Commonwealth, State or Territory Act, Regulation, Standard or Standard Specification having any application thereto
- Be goods which the Supplier has a right to sell at time of delivery and otherwise by subject to each of the warranties referred to Section 17 of The Goods ACT (VIC) or in any application Commonwealth, State or Territory legislation.

The Supplier shall supply to Harris Scarfe a sample of the goods and shall obtain the written approval of Harris Scarfe that the sample conforms with Harris Scarfe specifications written or verbal of the goods prior to commencement of full production. Harris Scarfe shall notify the Supplier if the sample does not conform to its specifications. Where the sample does not meet with Harris Scarfe specifications for the goods the Supplier shall remake s further sample which so conforms to Harris Scarfe specifications. Where conforming sample are not provided by the Supplier to Harris Scarfe notice within a reasonable time of notice from Harris Scarfe, Harris Scarfe may written but without prejudice to any other right or remedy available to Harris Scarfe hereunder by statute at law or equity cancel the order and obtain the Goods elsewhere.

If the Goods delivered on performance of this order are not in accordance with the requirements of the face of this order and the Terms and Conditions set out herein in each and every respect, or if the Supplier is found to have made in relation to the Goods any false representation or misleading statements of any of the kind referred to in Section 53 of the Trade Practice Act 1974 (C'th) or any other applicable Commonwealth State or Territory legislation then, without prejudice to the rights of Harris Scarfe to damages or otherwise Harris Scarfe may refuse delivery of the Goods or having accepted the delivery may return the Goods delivered at any time within 14 days of discovery of any such breach or failure to comply.

The return of Goods delivered will be at the Suppliers own expense and risk in all respects and delivery by Harris Scarfe of the said Goods to a carrier of its choice shall constitute delivery of those Goods to the Supplier. Forthwith upon receipt of the rejected or returned Goods by the Supplier the Supplier shall repay to Harris Scarfe all moneys paid by Harris Scarfe to the Supplier for the rejected or returned Goods. Harris Scarfe shall be under no obligation to make any further payments to the Supplier nor shall it otherwise in any way be liable for

the rejected or returned Goods. Unless this order expressly provides for delivery of Goods by instalments, all Goods contained in this order shall be delivered on the date referred to in the order.

Where this order provides that the Goods are to be delivered on hangers, the hangers required shall be supplied at the Supplier's expense.

To the extent that these Terms and Conditions do not already provide, Harris Scarfe shall have as against the Supplier the same rights in respect of the supply of the Goods by the Supplier to Harris Scarfe as it would have as a consumer pursuant to Division 2 of Part V of the Trade Practices Act 1974 (C'th).

If as part of this order the Supplier is required to provide services in relation to the goods ordered then:

- Such services shall be preformed in proper and workmanlike manner by competent and trained tradesmen with due care and skill and accordance with the directions of Harris Scarfe in all respect;
- Any materials supplied in connection with those services will be of first quality and reasonably fit for the purpose of which they are supplied and of such a nature that they might reasonably be expected to achieve the service desired;
- The service shall be performed on such day or days as Harris Scarfe shall nominate except to the extent that the Supplier is prevented there from by strike or lock out affecting any of the trades concerned in the performance of the service; and
- The words "the goods" where used in the preceding conditions of this order shall where the context so admit include also the services.

Unless notification is give by the Supplier to Harris Scarfe and accepted by Harris Scarfe, where packing details for the Goods are not adhered to such Goods may, at the option of Harris Scarfe be refused or returned at Supplier's expense and risk in all respects.

Should Harris Scarfe accept delivery of such goods, Harris Scarfe reserves the right to charge the Supplier any costs deemed to have been incurred in correcting the packing.

Harris Scarfe payment Terms are more fully describe overleaf. All invoice/deliveries received after the 20th of the month will be forward dated to the following month.

The Supplier undertakes to keep confidential all information disclosed to it by Harris Scarfe for the purposes of giving effect to this order. The Supplier shall keep all such information confidential and shall not disclose it otherwise than to such of its directors, servants, agents and employees who require access to such information.

Nor use such information other than for the purpose of filling in this order without the prior written consent of Harris Scarfe. Where such information is disclosed by the Supplier to any of its directors, servants, agents and employees as aforesaid the Supplier will procedure that such directors, servants, agents or employees enter into secrecy and not- use obligations in favour of Harris Scarfe at least as strict a those provided by the Supplier itself.

“We” are Harris Scarfe Australia Pty Ltd, ABN 83 095 018 803, trading under the name Harris Scarfe.

Building A
91 Hardys Road
UNDERDALE
South Australia 5032

“We” and “us” include our employees and agents.
“You” are the Supplier of merchandise to us.

At the time of delivery, there should be an exact match between the order, invoice and the merchandise supplied to us. In the case where Supplier pre-mark stock, the stock must be correctly marked using Harris Scarfe supplied tickets, or authorised Supplier ticket complying with the Harris Scarfe standards.

Harris Scarfe Australia Pty Ltd – Order Terms & Conditions

Verbal orders or written indications by a buyer do not constitute an official order and will not be recognised as an official commitment by Harris Scarfe Australia Pty Ltd.

Orders must be made on an official order form and signed by an authorised officer from Harris Scarfe Australia Pty Ltd, EDI orders excluded.

The following Terms and Conditions apply to orders raised for goods imported from overseas and are issued when an order is placed.

- Invoices to be lodged as per agreed Payment Terms
A pre-production sample must be sent to HS for approval prior to production.
- Pre-production sample must be signed and approved by HS QA department for production prior to production taking place
- A sample from the bulk production must be sent to HS for approval
- Goods must not be dispatched until approved of bulk production sample has been received from HS
- Order number must be quoted in full on invoice, connote, bill of lading, consignment note and branded on outer cartons /packaging.
- Product and Outers should be ticketed / labelled as per Harris Scarfe product and packaging specification.
- Responsibility for appropriate packing of goods ordered is that of the supplier. Losses due to damage in transit because of insufficient packing will be borne by the supplier.
- Prices and quantities are firm unless amended and an updated order is issued.
- Delivery date is firm and must be adhered to.
- Orders not delivered on time may be cancelled.
- Freight costs for merchandise returned because it did not meet the terms and conditions of the order are the responsibility of the supplier.
- You are obliged to ensure that the merchandise you supply complies with Australian laws and appropriate certification is provided.
- Quantities are for single units only.

- Goods not ordered will be returned without prior consultation at the Suppliers expense. Refer Section Tolerances.

These terms should be read in conjunction with Harris Scarfe Order and Product Specifications.

- **NOTE 1.** On receipt of the official purchase order please contact the Buyer immediately if you have any disagreement with the Terms detailed in the official purchase order.
- **NOTE 2.** Unless an amended / updated order is issued by the Buyer, the original Terms form the official Harris Scarfe purchase order.
 - On receipt of the merchandise Harris Scarfe will automatically quarantine **ALL** oversupplies, duplicates and/or substitutes. Harris Scarfe will then advise the Supplier of such quarantine and await a formal Return Advice (RA) details from the Supplier.
 - Quarantined merchandise will be held for a period of five business days, at which time the Supplier must organise the RA and advise Harris Scarfe of the Supplier's carriers' details for release of the merchandise to their care. The Supplier is responsible for **ALL** freight charges related to the return of the merchandise. Suppliers will be responsible for any storage fees for merchandise held after the five business day period and any additional costs incurred by Harris Scarfe.
 - Discrepancies will automatically be raised against any variation in cost, quantity, damage and/or pilferage.
- To eliminate all misunderstandings it is important for Suppliers to check the order for the following:
 - Are the order quantities correct? i.e.; is the Harris Scarfe order and Supplier Tax Invoice exact?
 - Is the month of charge correct?
 - Is the order cost by item correct?
 - Can we supply within the Delivery Date window?

Payment and Shipping Documentation

Telegraphic Transfer: Payment will be made on original documents. A fax requesting funds along with bill of lading and invoices is to be sent to effect payment to

Fax Number: +61 8 8150 5790.

Letter of Credit: Attach the original document as per our L/C requirements i.e., invoice, packing list, bill of lading, treatment certificate for representation to your bank. A full set of non-negotiable documents (including one original bill of lading) is to be sent to our Freight Forwarder by registered Air courier, within five days of shipment.

Insurance: All consignments are at our risk at the consolidation point.

All Apparel Merchandise – Invoice must include one of the following declarations:

- No hangers are used on this order
- The cost of the hangers used on this order AUSS\$ ___ and include in the invoice cost
- The hangers are included in this order and are paid for by Harris Scarfe.

CHANGES TO ORDER

If merchandise can not be supplied as per the conditions of the original order, the variations MUST BE AGREED to by our Buyer, and the order amended BEFORE the merchandise is despatched.

Failure to comply with this procedure may result in additional expense to the Supplier. The merchandise will be turned away at the point of receipt, without notification to the Supplier, and at Supplier's cost of the return, or to offset storage of the merchandise whilst the Supplier consults with our Buyer in an effort to resolve the above problem.

Harris Scarfe Australia Pty Ltd is not responsible for any loss or damage you suffer as a consequence of such rejection activity. Delivery will only be accepted in compliance with the Harris Scarfe Australia's Order Terms and Conditions.

HARRIS SCARFE WILL NOT ACCEPT PART SHIPMENTS UNLESS PREVIOUSLY AUTHORISED BY HS SUPPLY CHAIN OR IMPORT MANAGER

Order confirmation

A Sales Confirmation or Performa invoice needs to be sent to the Import Department (Facsimile 0011 61 8 8150 5790) when the order has been raised. The Buyer will check and sign it and return it to the Supplier.

All order confirmations MUST quote Harris Scarfe 8 digit SKU number and 6 digit ORDER number.

When this has been received, any payment paperwork will processed by our finance department.

Payment Documentation

All commercial invoices should either be faxed to +61 8 8150 6790 for the attention of the Import Department or sent through the post express courier to

Harris Scarfe Australia Pty Ltd
91 Hardys Road,
UNDERDALE
South Australia 5032

Letters of Credit will not be raised until we have received confirmation of our orders.

All invoices MUST quote Harris Scarfe 8 digit SKU number and 6 digit ORDER number.

Other Documentation

An Annual Packing Declaration should be completed as this will prevent any delays to the release of our goods. A copy will be sent with our first orders.

Any queries on shipments should be directed to the relevant Buyer.

TERMS AND CONDITIONS
EXPLANATION OF CODES

IMPORTANT	OUTER CARTONS & SHIPPING MARKS
<p>Cases and Packing - If Wooden Cases are used timber must be treated and included with documents. All articles containing any wood, cane or bamboo must be free from borers and other insect infestation. Under no circumstances is straw to be used for packing purposes. When orders are packed into the export container, by the supplier, a Packing Declaration must be included.</p> <ul style="list-style-type: none"> • Straw packing has NOT been used in the container listed • Timber packing HAS / HAS NOT been used in the container listed • The interior of the container has been cleaned and is free of all animal, plant and soil material <p>Annual Packing declarations can be lodged with us.</p>	<p>Outer cartons should be marked with the information as per Outer Label Specification on 2 adjacent sides of the carton. If the outer carton is intended to be broken down to inner cartons, these should also be labelled in the same way. Responsibility for appropriate packing of goods ordered is that of the supplier. Looses due to damage in transit because of insufficient packing will be borne by the supplier.</p>

EXPLANATION OF CODES

DEVELOPING COUNTRY'S DECLARATION

Signed by the Maker to be shown on all manufacturers' invoices.

" I declare

- that the final process of manufacture of the goods for which special rates are claimed has been performed in <country>
- that not less than half of the factory or works of the goods is represented by the value of the labour and materials, of <country or countries> and Australia or New Zealand"

Signed

HANDICRAFTS DECLARATION

Signed by the maker certifying goods are handmade or hand operated machine made with no power being used and the goods consist of material traditionally used in the production of handicrafts and have attained an artistic or decorative character.

LEAD & CADMIUM RELEASE (for porcelain, earthenware & stoneware used for food, metal drink containers, pencils & children's paint brushes)

An original signed Certificate specifying lead release must be forwarded by air mail for our approval before any shipment is commenced. A copy of the certificate must be attached to the forward shipping documents for each shipment to each port.

FUMIGATION

To be fumigated by an approved method. The certificate, signed by the appropriate Government authority is to be attached to each invoice. All wrappings to have 4 holes (excluding outer cartons). Each hole is a minimum of 6 mm diameter.

STERILIZATION

Brushes of animal hair or bristle are to be sterilized by an approved method and certificate forwarded with the shipping documents.

HEAT TREATMENT

Straw and grass products to be heat treated by an approved method and certificates to be forwarded with shipping documents.

PRESERVATIVE TREATMENT

All Lyctus susceptible sapwood must be treated by an approved method. A declaration from the maker must be attached to each and every invoice.

BARCODING

A barcode will be forwarded to the Agent or Maker for inclusion of the product.

PRIVATE LABEL

Harris Scarfe Australia Pty Ltd's own registered brands.

AUSTRALIAN STANDARDS

The items concerned on this order must comply with all current Australian Standards including to those in respect to:

- Packaging Regulations
- Toxicology Requirements

Should for any reason items concerned fail to meet the current relevant Australian Standards, we reserve the right to return stock for full credit plus cost involved.

AUSTRALIA FLAMMABILITY STANDARDS FOR CHILDREN'S NIGHTWEAR

Garments to be labelled in accordance with the category detailed on order

CATEGORY ONE – Low Fire Danger

CATEGORY TWO – Style to reduce Fire Danger

CATEGORY THREE – All in one style garments

CATEGORY FOUR – High Fire Danger

EXCLUSIVE AUSTRALIAN AND NEW ZEALAND RIGHTS

Harris Scarfe Australia Pty Ltd shall have the exclusive Australian and New Zealand rights to this item, or any copy or closely similar item. It

shall not be sold by the supplier to any person or company in Australia or New Zealand, or to any person or company if the supplier has reason to believe that the ultimate destination of the goods is likely to be Australia or New Zealand.

THIS ORDER IS SUBJECT TO THE FOLLOWING CONDITIONS:

The Vendor hereby agrees and warrants:

- that it has the right to sell the goods and the Purchaser will enjoy quiet possession
- the goods will comply with any description given by the Purchaser when ordering the goods
- the goods will be of merchantable quality and fit for any purpose communicated by the Purchaser to the Vendor and
- where the goods are supplied by reference to a sample the goods will correspond to that sample

The Vendor hereby indemnifies the Purchaser and agrees to keep it indemnified against all actions, claims, demands or damages, fines or potential penalties and legal costs and disbursements occasioned thereby arising out of or connected with goods supplied by the vendor to the Purchaser and relating to infringement or alleged infringement of any Patent, Copyright, Trademark or Design a breach or alleged breach of any Legislation, Ordinance or Regulation a defect or fault or alleged defect or fault in such goods.

ALL SUNGLASSES

All sunglasses placed on this order will be tested in Australia to comply with the applicable Australian and New Zealand Standards. Should they comply with the Australian and New Zealand Standards, orders will be cancelled. Random testing will also be carried out on orders delivered. Should this stock not pass any tests, the complete order will be returned for full credit.

PRINT TAGS

Pre-printed barcode tags will be supplied by Harris Scarfe Australia Pty Ltd.

QUALITY CONTROL REQUIRED

This order is subject to approval by our appointed Quality Control Agents or Quality Assurance Department.

SPECIFICATION FORM

As noted on the attached schedule.

FACTORY VISIT COMPLIANCE CHECK LIST

V#: _____ VENDOR NAME: _____

F#: _____ FACTORY: _____

LOCATION: _____

AUDITOR: _____ DATE: ____/____/____

	YES	NO
Is this factory scheduled to produce Harris Scarfe Merchandise?	<input type="checkbox"/>	<input type="checkbox"/>
Safe drinking water available to employees?	<input type="checkbox"/>	<input type="checkbox"/>
Do workers have unrestricted access to toilets?	<input type="checkbox"/>	<input type="checkbox"/>
Sufficient number of toilets for each shift of the work force? (1 for 15, 2 for 35, 3 for 55, 4 for 80, 5 for 110, 6 for 150, 1 more for each additional 40 employees.)	<input type="checkbox"/>	<input type="checkbox"/>
Is there emergency fire fighting equipment in place?	<input type="checkbox"/>	<input type="checkbox"/>
Number of fire hoses? _____		
Fire extinguishers? _____		
Last date charged? _____		
Aisles & stairways clear for easy and timely evacuation?	<input type="checkbox"/>	<input type="checkbox"/>
Environment free of debris that endangers evacuation or inhibits ability to work?	<input type="checkbox"/>	<input type="checkbox"/>
Sufficient number of exits for each work area?	<input type="checkbox"/>	<input type="checkbox"/>
Are all emergency exits unlocked?	<input type="checkbox"/>	<input type="checkbox"/>
Are safety/emergency instructions/signs in local language?	<input type="checkbox"/>	<input type="checkbox"/>
Is the facility adequately lighted?	<input type="checkbox"/>	<input type="checkbox"/>
In the event of a power failure, is emergency lighting available?	<input type="checkbox"/>	<input type="checkbox"/>
Does factory have a fire alarm system? (If no, verify whether required by law.)	<input type="checkbox"/>	<input type="checkbox"/>
Date of last emergency evacuation drill? _____		
Is documentation available?	<input type="checkbox"/>	<input type="checkbox"/>
Are windows free of bars? Security bars only <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are workers free to come and go?	<input type="checkbox"/>	<input type="checkbox"/>
List safety equipment available _____		
Is safety protective equipment adequate?	<input type="checkbox"/>	<input type="checkbox"/>

Follow up:

If visit is to verify resolution of compliance issues -
Indicate date of previous visit ____/____/____

Documentation of corrections must be received no later than ____/____/____

Factory Signature: _____ Date: ____/____/____

HS Signature: _____ Date: ____/____/____