

Framework Purchase Agreement and Requirements Kid ASA To Suppliers

This Framework Purchase Agreement contains the terms of co-operation which have been agreed between Kid ASA ("Kid") and its Suppliers. By signing this Framework Purchase Agreement and returning it to the sender you approve to be bound by and party to this Framework Purchase Agreement and all listed below:

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The Frame Purchase Agreement and all the above stated appendices apply to all business between the Supplier and Kid. The Supplier also agrees that the companies that are at any time Kid's subsidiaries (the "Subsidiaries") are entitled to place orders under the Frame Purchase Agreement and that the Subsidiaries shall be solely and exclusively legally and financially responsible for their respective orders. Signing this Agreement and thereby agree above stated chapters is mandatory in order to become and remain a supplier to Kid and the Subsidiaries. The above stated are referred to as the Frame Purchase Agreement and Requirement, **PAR**.

When reference is made to Kid in the PAR, reference is also made to the Subsidiaries, so that the rights and obligations set out in this agreement apply to the Supplier and the subsidiary company that has placed the individual order, unless otherwise stated or implied.

A signed copy of the Frame Purchase Agreement shall be sent by e-mail and the original shall be sent to Kid ASA by courier.

Yours Sincerely,
Josephine Gisaeus
Head of Sourcing and Procurement
Kid/Hemtex

We hereby confirm that we accept the General Agreement and all chapters thereto.

Place and date: _____

Company name: _____

Authorized signature: _____

Clarification of signature: _____

Title: _____

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Purchasing Agreement
1 Buying terms

1 Buying terms

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1.1 General

The purpose of the Frame Purchase Agreement and Requirement "PAR" is to clarify the conditions which shall apply for all products delivered to Kid by the Supplier ("Products") to sustain a consistent level of required quality. By following PAR the Supplier will be able to deliver a product, in a proper manner that will satisfy Kid's requirements and meet the expectations of Kid's customers. The Agreement with appendices constitutes the complete contract between KID and the Supplier. Any adjustments to the Agreement shall be confirmed by the parties in writing.

Although KID is the formal party to the PAR, the Subsidiaries are entitled to place orders under the PAR regarding Products under the Kid- or the Hemtex-concept. The Subsidiaries are financially and legally responsible for their respective orders under the PAR. The Supplier may in no circumstances hold Kid responsible for orders placed by the Subsidiaries.

All Products delivered to Kid shall comply with all relevant international and national legislation. The suppliers shall also demand the same on their sub-suppliers.

Any negligence by the Supplier in following the instructions included in the Agreement might result in claims, such as cancellation, price reduction or compensation for direct costs.

1.1.1 EDI- Electronic Data Interchange

In order to obtain an efficient information flow, the Supplier shall - if requested by Kid or the Subsidiaries - submit documents electronically (goods certificates, orders, order confirmations, delivery notice and invoice etcetera). Further information and instructions for electronic communication regarding invoice handling and payment are set out in the Agreement with appendices.

1.2 Binding purchase document

Kid and the Subsidiaries' standard order format is attached hereto in 1.17 The order will be binding after signed sales contract.

The supplier shall after receive order upon request provide Kid with correct measurements on all handling units.

The Order for Hemtex24h will be binding after 48 hours after it has been sent to the Supplier. If the Supplier has not responded/confirmed by e-mail within 48 hours the Order will be handled as a binding document. The respond/confirmation is sent at the risk of the Supplier.

The Order from Hemtex24h is sent by e-mail to the Supplier's e-mail address and is the binding purchase document for the Order.

1.3 Intellectual Property Rights

The Supplier is responsible for ensuring that any design, material, pattern, labels affixed to the delivered Products or symbols of text emanating from the Supplier do not infringe on any third party's intellectual property rights.

The Supplier shall defend, indemnify and hold harmless Kid from and against any and all damages, costs and expenses (including reasonable attorneys' fees) incurred as a result of any claim or proceeding brought by any third party against Kid based on a claim that the sale, marketing or use of any of the Products constitutes an infringement in any intellectual property rights (including but not limited to trademarks, distinctive marks, copyright, patent and rights to design of labels, products and packaging), or breach of applicable marketing act. Kid shall as soon as possible notify the Supplier of such claim and give the Supplier the opportunity, at the Supplier's cost, to defend the claim and enter into settlement. However, with respect to a possible breach of applicable marketing act, this shall not apply if such breach is caused solely by Kid's own marketing.

Notwithstanding anything contained in these terms or in the Agreement with appendices, the Supplier shall not at any time acquire or be regarded as having been granted any right to any intellectual

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property rights (including but not limited to trademarks, distinctive marks, copyright, patent and rights to design of labels, products or packaging) belonging to Kid.

With respect to Products developed together with Kid, such intellectual property rights that may be exercised in regard to such Products, product specifications, product designs and packaging to the part this is provided by Kid, labels, trademarks, distinctive marks, merchandising, marketing and communication materials, as well as any rights to such developments developed in cooperation with Kid under the Agreement with appendices (collectively referred to as "Kid's Intellectual Property Rights") rest with Kid and shall be the sole property of Kid.

In the event of claims relating to Kid's Intellectual Property Rights, Kid is entitled to independently defend such claim and enter into settlement. The Supplier shall in such event provide all necessary information and documentation that may be relevant in order to defend such claim. The Supplier shall nevertheless hold Kid harmless from and against any and all damage as set out above, unless such damage is caused solely by use of the input (such as Kid Intellectual Property Rights), which Kid has provided to the Supplier for production of Products.

All samples, specifications and documentation, including but not limited to design originals, relating to Products included within any Intellectual Property Rights shall remain the sole property of Kid. Such may not be used for any purpose other than production under the Agreement, may not be copied or reproduced without the consent of Kid, and shall be promptly returned, including all copies thereof, upon instruction by Kid.

Designs and products provided by the Supplier, the Supplier grants exclusive rights to Kid to market and sell the products and/or designs in the Nordic countries. The supplier undertakes not to sell these products and/or designs to any other retailers in the Nordics or to display the products in trade fairs aimed at the Nordic market.

Furthermore, for Products developed or designed by Kid, the Supplier is prohibited from offering these Products and/or designs to any other vendor anywhere in the world.

For the avoidance of doubt, it is emphasized that the Supplier's above-mentioned obligations and liabilities also apply in relation to the Subsidiaries.

1.4 Ethics

1.4.1 Laws and ethical guidelines

In its operations, the Supplier shall comply with the laws and rules which apply to the operations such as applicable regulations, general guidelines, industry practices, generally accepted practices and internal rules. The aforementioned shall be carried out with insight and an understanding of the underlying purpose of the rules. The Supplier shall comply with Kid's sustainability requirements as described in the appendix "Chapter 3 – Management, Codes & Policies" and Code of Conduct for KID Interiør AS.

Decisions regarding cooperation will be subsequently based on objective factors such as quality, price, supply chain, efficiency, performance, reliability, continuity, and suitability.

1.4.2 Corruption and bribes

Kid does not accept any gifts to employees from suppliers of any value. Any gift received will be destroyed or returned to sender.

A bribe is an improper benefit which is provided or received in order to influence the exercise of a person's work duties, including any benefits to employees of KID.

Any person who receives, accepts a promise of or requests an improper benefit, as well as someone who provides, promises, or offers an improper benefit, has committed bribery. Active and passive bribery is regarded as a serious offence.

1.5 Products and quality

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The Supplier warrants that Products and the production thereof are in compliance with applicable laws and regulations and all specifications and requirements herein and according to the Agreement with appendices (including the appendix "Specific Quality Requirements") and are free from defects.

This includes requirements with respect to the Products, product safety, traceability, labelling, environment, ethics, working conditions and social responsibility et cetera. The Supplier warrants that Products and production thereof comply with at all times valid laws, authorities' regulations, standards, conventions and generally accepted business practices for production, Products, deliveries and similar.

The Supplier is responsible for testing and documenting Products, including materials contained, to ensure that the quality and safety required herein and in the Agreement with appendices are met. The Supplier shall provide Kid with all such documentation, such as test protocols, contents, ingredients and the composition thereof, at Kid's request.

The Supplier shall purchase and pay for all raw material, contents and packaging material necessary for the production of the Product. The Supplier shall pay for all costs for printing, such as costs for developing drawings, templates, repro, clichés, printing blocks and control copies, as specified by Kid. Kid reserves the right to inspect and approve all designs before final approval. The design original is Kid's property and the Supplier is responsible for keeping it in safe custody.

All products shall always comply with all applicable laws, regulations, standards et cetera. If Kid has not issued any product specifications for a specific Product, supplier shall upon request be able to give proof that the product is complying laws, regulations, standards et cetera.

1.5.1 Liability and product safety

The Supplier is liable towards Kid for personal injury and property damage, that occur at Kid, its customers or end customers as a result of defects or lack of safety in Products, packaging and/or product information, as well as for other damages that Kid may incur due to such defect or lack of safety, regardless of who is affected by such damage.

The Supplier shall indemnify and hold Kid harmless from and against any and all damage, costs and expenses (including reasonable attorneys' fees) incurred as a result of any claim, suit or proceeding brought by any third party against Kid, based on a claim regarding such injury and/or damages.

If any third party makes a claim against the Supplier or Kid for compensation for damage or loss with reference to this clause, the other Party must be informed about this without delay.

If necessary, the Parties shall immediately inform each other about defects or deficiencies in Products, as well as any other needs to inform customers, consumers or others. The Supplier shall then also immediately at Kid's request provide all such information about Products that Kid may need, including but not limited to information on raw material, contents, composition and production process. In the event the Supplier does not fulfil such information requirements, the Supplier shall indemnify Kid for all damage, costs and expenses arising from this.

In the event it is necessary to recall Products or packages, and/or need to stop sales or issue any supplementary product information, in order to avoid personal injury, property damages or not compliance with Kid's requirements, the Supplier shall indemnify Kid for all costs and expenses for such measures, including logistics and administrative costs, and reimburse Kid for the value of the affected Products. The Supplier undertakes to assist Kid in order for Kid to be able to perform its obligations in such event. The Supplier shall also consult with Kid with respect to any such requirements that may arise on the Supplier's side.

The Supplier shall have an adequate insurance coverage, placed with reputable insurance companies, to meet its obligations under the Agreement, and shall upon request provide Kid with documentation in order to prove this. The insurance cover shall include at least General & Products liability insurance and Marine Cargo insurance, including inland transit. The Supplier shall

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ensure that Products are insured during the entire transport, also while at Suppliers Risk according to Incoterms.

1.6 Inspection

Kid reserves the right to at all times visit all facilities and sites where Products and raw materials are handled, in order to assess whether agreed policies and provisions are adhered to, as well as be present in order to conduct a possible supplier- or product evaluation. The Supplier shall provide all relevant information at Kid's request. Kid shall be entitled to delegate such inspection to an acknowledged auditing firm for such supplier audits. If the investigation should show that the Supplier has not acted in accordance with what has been agreed, any re-inspection should be paid for by the Supplier.

Further, the Supplier is obliged, at the request of Kid, to provide sufficient information to enable Kid to fulfil its obligations under the Norwegian Transparency Act.

1.6.1 Final Random Inspection (FRI)

The Suppliers are expected to produce to the right quality level meeting the Kid required standard pass the pre-shipment inspection at the first inspection date. Inspection will be required based on the supplier's performance.

Kid, or one of the Subsidiaries, depending on which company that has placed the order that is subject to the first-time pre-shipment final random inspection, is responsible for the cost of the first-time pre-shipment final random inspection (FRI). Should the FRI of a shipment fail, the Supplier is responsible for the cost of any subsequent pre- shipment inspections, which are to be conducted either by a Third-Party Inspection Agency or Kid QC Team.

When the FRI is performed 100% of the goods should be produced and at least 80% should be packed.

1.7 Packing

The Supplier undertakes to ensure that Products are packaged (including weight et cetera) and labelled in accordance with what is set out in the Agreement and labelling guidelines. The Supplier shall indemnify Kid for Kid's costs for corrections, which may be necessary if packing and labelling is not done correctly.

Logistic marking for orders regarding the Kid and Hemtex-concept shall be made in accordance with Exportlabel..

Logistic marking for orders to Hemtex24 is according to information sent specified in email, and based on Hemtex24h customers requirement.

See PAR 6 for details.

1.8 Pricing

The price for Products is specified in the Orders.

1.9 Invoicing and payment

Instructions for invoice handling and payment are further set out in the Agreement with appendices (Appendix 2 "Payment and Delivery Terms").

1.10 Delivery

Delivery shall be made on the agreed delivery date stated on the purchase order. The Supplier shall notify Kid, or the respective Subsidiary, without delay in writing, if the specified delivery date cannot be kept, state the reason and at the same time provide Kid with a commitment for a new time when delivery is expected to take place. Such notice shall be given no later than three (3) weeks before the originally agreed shipping date.

Kid reserves the right to refuse any delivery over fourteen (14) days due to reasons caused by the Supplier or require that Products that are over fourteen (14) days late are delivered by airfreight at the Supplier's expense.

Kid allows a quantity deviation of +-5%. If the deviation is above this level Kid shall have the right to reject quantity or claim the Supplier for the related costs and expenses.

1.10.1 Documentation

The Supplier guarantees that certificates and documentation for customs declaration and import that the Supplier issues (such as GSP certificate) are correct. The Supplier shall indemnify Kid for all damages, costs and expenses should such documentation be incorrect.

1.10.2 Delays in delivery

Any late shipment caused by the Supplier is subject to liquidated damages in the form of a penalty sum for each period of delay according to but not limited to the following:

Delay of 1-4 days 3% of total FOB invoiced value for delayed goods

Delay of 5-7 days 5% of total FOB invoiced value for delayed goods

Delay of 8-14 days 10% of total FOB invoiced value for delayed goods

Delay of 15-21 days 15% of total FOB invoiced value for delayed goods/ or airfreight paid by the Supplier at Kid Company's option to achieve the Campaign Shop Week

Delay of ≥ 22 days airfreight at the Supplier's cost + above applicable percentage rate of FOB invoiced based on estimated time arrival ("ETA") if later than the originally planned ETA due to shipment delay.

Any late shipment caused by the Supplier and the originally planned sales plan cannot be met Kid/Hemtex have also the right to cancel the order.

In choices of production method, transportation distance and mode of transport, Kid requires the Suppliers to take climate impact into account. Air transportation may only be used if specifically agreed by Kid in exceptional cases.

Liquidated damages as set out above shall also be payable due to delay which arises after delivery, caused by incorrect packing by the Supplier, resulting in the need for repacking prior to delivery to stores, as well as delays in connection with import to the country of designation due to incorrect documents. VAT shall not apply for such liquidated damages amount.

In addition to Kid's right to liquidated damages, as per above, Kid may claim compensation for any direct damage, cost or expense, not covered by liquidated damages, unless the Supplier has caused the delay intentionally or by gross negligence in which case indirect damages may be claimed.

1.11 Defects, claims and returns

Products with divergent quality, function and/or properties than agreed, as well as Products that do not fulfil and/or are produced in accordance with the requirements set out in the Agreement with appendices as well as other agreed documentation, are regarded as being defective.

Divergent deliveries and defect Products shall entitle Kid to compensation for damage, costs and expenses and/or terminate the Agreement and/or purchase order.

Provisions on claims and sanctions shall be applied parallel with and in addition to the sanctions for divergent and late delivery as set out in the Agreement with appendices as well as other agreed documentation.

Sanctions regarding defects shall also apply in the event of negative publicity due to that the Supplier should be associated with acts contrary to Kid's ethical or moral values as set out in the Agreement with appendices as well as other agreed documentation, or if the Supplier's business is not conducted in accordance with law.

1.12 Force majeure

None of the Parties shall be held responsible for failure to fulfil its contractual obligations, which is caused by circumstances outside the Party's control. For example, war, labour market conflicts, state intervention and similar, which the Party not reasonably could be expected to have known at the time of entering into the Agreement, and which consequences the Party not reasonably could have avoided or overcome. In the event a ground for exemption in accordance with this clause occurs, the time for performance will be extended and damages and other sanctions will be exempted.

The Party desiring to claim such exemption shall immediately notify the other Party in writing that such circumstance has occurred and also when it ends.

Notwithstanding what might otherwise follow from the Agreement and appendices, Kid shall be entitled to immediately terminate the Agreement and/or the purchase orders that are affected by the impediment by notice in writing if delivery of Products in any material part thereof is delayed for more than thirty (30) days by reason for force majeure. Kid may purchase corresponding supplies from other suppliers during any period when the Supplier is unable to supply and require that the quantity to be delivered by the Supplier is to be reduced accordingly.

1.13 Confidentiality

The Parties undertake not to divulge to any third party any information or knowledge that is confidential information for the other Party (such as information about Products) and that a Party has obtained as a consequence of the Agreement. However, Kid shall be entitled to disclose such contents and terms within the Kid ASA group of companies, hereunder, but not limited to, the Subsidiaries.

This undertaking does not include information that at the time of delivery to the other Party or thereafter has become generally available or generally known and this has not occurred through a breach of the Agreement or if the information is or becomes available for the receiving Party by other means than through the Agreement.

The Supplier shall ensure that neither they nor any of its subcontractors publish Kid's appointment of the Supplier or its subcontractors, terms under the Agreement or order made hereunder, without Kid's prior written approval.

This confidentiality undertaking shall apply during the term of the Agreement and for a period of three (3) years thereafter.

1.14 Termination

The Agreement shall apply for each Order placed by Kid under this Agreement.

Either Party may terminate the Agreement with immediate effect if the other Party is in material or repeated breach of the Agreement and such breach is not remedied within thirty (30) days after a requirement of that effect has been sent to the Party in breach. For the avoidance of doubt, it is

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emphasized that a material breach from the Supplier towards one of the Subsidiaries shall be deemed as a material breach towards Kid, and entitle Kid to terminate the Agreement with immediate effect.

Should material changes occur in the direct or indirect ownership of the Supplier or the executive management of the Supplier, and Kid on reasonable grounds deems that such change could affect the Supplier's possibility to fulfil its obligations under the Agreement, Kid has the right to terminate the Agreement with immediate effect by written notice. The same applies if the Supplier is declared bankrupt, enters into composition negotiations or into company reorganization, enters into liquidation or on other reasonable grounds can be regarded as being insolvent. This also applies if the Supplier becomes part of a group of companies that carries on activities competing with the activities of Kid or any of the Subsidiaries.

Kid and/or the Subsidiaries has the right to cancel Orders that have been ordered but not delivered at the time of the termination.

1.15 Applicable Law

The Agreement shall be governed by the substantive law of Norway.

1.16 Disputes

Any dispute, controversy or claim arising out of or in connection with the Agreement, or the breach, termination or invalidity thereof, shall be resolved amicably through negotiations between the Parties to the extent possible. This Agreement shall be governed by and construed in accordance with the laws of Norway, without regard to the conflict of law principles thereof, and the Parties accept the exclusive jurisdiction of Oslo District Court. The language of the proceedings shall be Norwegian.

