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ARTICLE 1. OVERVIEW

1.1 BagMe is a product development partner specialising in the design, sourcing, development, and production of bags, backpacks, luggage, and related products. We bring practical experience, technical knowledge, and real industry relationships to every project we take on.

1.2 Our role is to work alongside you guiding, problem-solving, and improving outcomes at every stage. That means thinking about your product the way you do: with care for the details, an eye on cost, and a genuine interest in getting it right.

1.3 We act as an extension of your team. When we deal with factories, suppliers, and other partners, we do so in your interest pushing for the best outcome, flagging risks early, and keeping things moving.

1.4 While we take an active role in shaping recommendations and solving problems, you remain in control of your product and your business. Final decisions are yours, and we'll always make sure you have the information you need to make them confidently.

1.5 We are not a manufacturer, supplier, or freight forwarder. We don't take ownership of production or logistics but we stay closely involved to make sure the people who do are held to the right standard.

1.6 Our services are structured around monthly Support Packages, giving you ongoing access to our expertise, systems, and industry network. This is intentional as product development rarely fits neatly into fixed tasks or hourly billing, and a retainer model lets us be genuinely useful across all stages of your project rather than spending time counting the hours we work.

ARTICLE 2. RELATIONSHIP WITH SERVICE AGREEMENT

2.1 These Terms of Service form the foundation of every engagement we enter into. They sit alongside your Service Agreement, which sets out the specific details of your project including scope, pricing, and any conditions particular to your engagement.

2.2 If anything in your Service Agreement conflicts with these Terms, your Service Agreement takes precedence. The intention is that these Terms cover the general framework, while your Service Agreement covers what's specific to you.

2.3 By signing a Service Agreement with us, you are also confirming your acceptance of these Terms.

2.4 We review and update these Terms from time to time as our services evolve or as legal requirements change. If we make any changes that materially affect your rights or obligations, we will let you know in writing with at least 30 days' notice before those changes take effect. If the changes don't work for you, we'd rather have that conversation than have you feel locked into something you didn't agree to.

ARTICLE 3. FEES, PAYMENTS AND HOW WE WORK COMMERCIALY

3.1 Your service fees are set out in your Service Agreement and are based on the Support Package agreed between us.

3.2 Our Support Packages are designed to give you ongoing access to our expertise, relationships, and systems throughout your project. We don't bill by the hour or by task because product development doesn't work that way. Some months are heavier than others, and our model is built to absorb that variation and remain useful to you throughout the entire term of our engagement, not just the busy parts.

3.3 The first month of your engagement is invoiced at twice the agreed monthly rate. This reflects the additional time we invest upfront in reviewing your project, getting systems in place, and allocating the right resources from day one. After that, your monthly fee will be billed at the agreed monthly rate.

3.4 Monthly invoices are issued at the start of each calendar month and are payable within 14 days. All service fees are paid in advance and are non-refundable once the month has commenced.

3.5 If you have a genuine question or concern about an invoice, please raise it with us in writing within 7 days of receipt. We will always take concerns seriously and work through them with you promptly.

Incidentals & Third-Party Costs

3.6 Your Support Package covers our services. It does not cover third-party costs, which we refer to as Incidentals. These are costs we incur on your behalf and pass through to you.

3.7 Incidentals can include things like freight and courier charges, sample materials, fabric or component development, tooling, certification and testing fees, travel outside our normal working area, factory sampling deposits, and third-party quality control services.

3.8 Before committing to any Incidental cost, we'll discuss it with you. Anything expected to exceed USD \$50 needs your explicit sign-off before we proceed. If you've asked us in writing to get something done, we'll take that as approval to cover the costs that go with it, even if we don't have a final number yet.

3.9 Incidentals are invoiced alongside your monthly service fee and include a 20% administration charge. This covers the time and cost involved in coordinating, tracking, and managing third-party expenses on your behalf, including any applicable local taxes or charges we absorb in the process.

ARTICLE 4. HOW WE WORK TOGETHER

4.1 Good product development is a two-way street. We bring the technical knowledge, industry relationships, and hands-on experience. You bring the vision, the decisions, and the direction. The best outcomes we've seen come from clients who stay engaged and treat us like the partner we're trying to be.

4.2 We will always bring recommendations, flag risks, and propose solutions. But the final call on your product and your business is always yours. We'll make sure you have everything you need to make those decisions with confidence.

4.3 To keep your project moving, we ask that you:

- Review and respond to key decisions and approvals in a reasonable timeframe
- Let us know promptly if your direction, priorities, or circumstances change
- Give us clear information when we need it so we can act in your best interest

4.4 If you'd prefer us to take the lead on certain decisions, we're comfortable doing that within agreed boundaries. Just be aware that when you give us the green light to proceed, you're taking ownership of that outcome. We'll always flag anything we think warrants your direct attention before moving forward.

4.5 Timelines in product development are rarely perfectly predictable. When delays are caused by factors on your side, such as late approvals, changing requirements, or gaps in information, we'll let you know the impact and work with you to get back on track. Those situations don't reflect a shortfall in our service, but we'll never use that as an excuse to stop problem-solving on your behalf.

4.6 We review the fit between your project's workload and your Support Package as your project progresses. If things grow significantly beyond what your current package covers, we'll flag it early. In practice, when a fee increase is on the horizon, we typically raise it with you months in advance so there are no surprises when the conversation becomes serious, and any agreed increase will normally take effect with at least one to two months notice. Where a project slows down and a fee reduction makes sense, we'll move on that more quickly. Any changes to fees are always agreed in writing and never applied retrospectively.

ARTICLE 5. THIRD PARTIES & PRODUCTION

5.1 A big part of what we bring to your project is our network. We work with a range of independent factories, suppliers, and service providers, and we select partners based on what's right for your product, your volumes, and your timeline.

5.2 We use our experience to recommend the right partners, negotiate in your interest, and stay closely involved throughout sourcing, development, and production. When things don't go to plan with a third party, our job is to be the first to know and the first to act and to protect your interests at all times.

5.3 That said, factories, suppliers, and logistics providers are independent businesses operating under their own terms and conditions. We do not control them, and we cannot guarantee their timelines, their output, or their performance. What we can guarantee is that we will always act in your interest and push hard when the standard isn't good enough.

5.4 Factors outside anyone's control, such as material shortages, factory capacity issues, shipping delays, or broader supply chain disruptions, can and do affect production timelines. We'll always keep you informed and work to find the best path forward when these situations arise.

5.5 Where a third party falls short despite our best efforts on your behalf, the responsibility for that outcome rests with them, not with us. We will support you in addressing it, but we cannot accept liability for the actions or omissions of independent parties we do not control.

ARTICLE 6. QUALITY CONTROL & APPROVALS

6.1 Quality control isn't something we attend to at the end of a project. It's built into how we work from the very beginning, through careful technical development, clear documentation, and direct involvement with factories and at every stage of production.

6.2 We believe the best way to achieve consistent quality is to prevent problems before they happen rather than inspect and discover them at the end. That means our team is present on the factory floor during key production stages, working directly with cutting, sewing, and quality control teams, not just management. When issues arise, we deal with them in real time when they are easier to resolve.

6.3 Our hands-on approach also helps factories improve their own internal processes over time. Better communication, clearer construction details, and stronger documentation all contribute to more reliable outcomes, which benefits your product and your relationship with the factory.

Pre-Production Samples

6.4 Before the production of newly developed product begins, we produce a Pre-Production Sample ("PP Sample") using final materials and agreed specifications. This becomes the agreed quality reference for the production run.

6.5 PP Samples are standard for newly developed or updated products. For repeat orders of a previously approved product, a new PP Sample is not normally required unless something has changed or a specific issue warrants it.

6.6 It's important that you review and approve your PP Sample carefully before production starts. Once approved, it sets the standard that the factory is required to meet. If production aligns with the approved PP Sample, that forms the basis of quality acceptance.

End of Line and Independent Inspections

6.7 Our focus is on in-line quality control during production rather than end-of-line inspection. Formal independent inspection services such as AQL inspections are not part of our standard package, though we can coordinate and oversee third-party inspection providers where you need them.

6.8 Once production is complete, your final sign-off is required before goods are released. We'll make sure you have everything you need to make that call confidently.

ARTICLE 7. SAMPLING & DEVELOPMENT

7.1 Sampling is one of the most important parts of bringing a product to life, and it's a core part of what we do. In most cases, development sampling is included within your Support Package.

7.2 We maintain our own in-house sampling capability, which gives us the flexibility to develop and refine mock-ups and prototypes internally before involving external factories. This lets us resolve construction and technical details early, which saves time and reduces unnecessary sampling costs down the line.

7.3 Depending on your project, sampling may be carried out in-house, through our partner factory sample rooms, or through a combination of both. We'll recommend the approach that makes the most sense for your product's complexity, timeline, and development stage.

7.4 When we work with factory sample rooms, we support the process closely by providing patterns, mock-ups, technical documentation, and material guidance. If technical issues arise during factory sampling, we'll bring the work back in-house to resolve them before returning updated samples and documentation to the factory.

7.5 In some cases, we complete product development before a factory is selected. This lets you go to market with a fully resolved product and get accurate, comparable quotes from multiple factories, which puts you in a much stronger position commercially.

Factory Sampling Fees and Deposits

7.6 Some factories require a sampling fee or deposit before they'll begin development work, particularly for new clients or early-stage projects. These fees are set by the factory and are outside our control.

7.7 Where a deposit is required, it is typically credited toward your first production order if you proceed. If no order is placed, the factory may retain the deposit to cover their development costs. We'll always let you know about these requirements upfront and get your approval before committing to anything.

Sample Materials and Costs

7.8 Sample materials are often supplied by material suppliers at no charge. Where materials do need to be purchased or shipped specifically for your project, those costs are treated as Incidentals and passed on to you, whether the sampling is done in-house or at a factory. As with all Incidentals, we'll discuss these with you before they're incurred.

ARTICLE 8. TERM, TERMINATION & SUSPENSION

8.1 Your Service Agreement runs on a monthly basis and can be brought to a close by either party with 45 days written notice. There are no lock-in periods beyond the notice period itself.

8.2 The 45 day notice period exists for good reason on both sides. It gives us time to complete active work, prepare a proper handover of files, documentation, and supplier contacts, and close out any open tasks in an organised way. It also gives our team time to plan and transition resources. For you, it means your project doesn't just stop, it winds down properly.

8.3 Either party may end this agreement immediately, without notice, in circumstances serious enough that continuing the relationship is no longer reasonable — including but not limited to wilful misconduct, persistent non-payment, or insolvency. In those situations, all outstanding fees and approved costs remain payable.

8.4 To make it clear how billing works during that notice period: if notice is given on or before the 15th of the month, your current month plus one further full month will be invoiced. If notice is given after the 15th, two further full months will be invoiced. We'll always confirm the exact billing position in writing when notice is given so there are no surprises.

8.5 If you have concerns about an invoice or a billing situation during the notice period, the same process from Article 3.5 applies — raise it with us and we'll work through it together.

Non-Payment and Suspension

8.6 If invoices remain unpaid beyond the agreed 14 day payment terms, we reserve the right to suspend services until the outstanding balance is settled. We won't do this without first reaching out to understand the situation, but we do need to protect the sustainability of our business and the team behind it.

8.7 Where non-payment continues without resolution, we reserve the right to terminate the Service Agreement. All outstanding service fees and approved Incidentals remain payable regardless of how the agreement ends.

ARTICLE 9. LIABILITY & RISK

9.1 We put genuine effort, experience, and care into everything we do for your project. When we make a mistake, we'll own it and work to fix it. But there are limits to what any service provider can reasonably be held responsible for, and we want to be upfront about where those limits are rather than bury them in fine print.

9.2 We are a product development support partner. We are not responsible for the commercial success of your product, how it performs in the market, or how end users respond to it. Those outcomes depend on many factors well beyond the scope of our services, and we'd never want to imply otherwise.

9.3 Where production output aligns with your approved PP Sample, agreed specifications, and supporting documentation, we cannot be held responsible for subjective differences in quality after the fact. This is why we put so much emphasis on getting the PP Sample approval right before production begins.

9.4 We are not responsible for delays or shortfalls caused by third parties such as factories, suppliers, or freight providers, or for delays resulting from late approvals, changing directions, or incomplete information on your side. As covered in Articles 4 and 5, we'll always flag these situations early and work tirelessly to help resolve the issue and to minimise the impact on your business.

9.5 If something does go wrong and we are found to be at fault, our total liability is capped at the lower of the service fees you paid us in the three months prior to the claim, or USD \$10,000. This isn't about avoiding accountability, it's about keeping our fees at a level that provides value. The best protection against things going wrong is the way we work together, and that's something we take seriously from day one.

9.6 We are not liable for indirect or consequential losses such as lost profits, business interruption, or reputational damage, even where such losses might be connected to our services.

9.7 Neither party shall be liable for failure or delay caused by a force majeure event – meaning any event beyond their reasonable control. Where possible, the affected party will notify the other promptly and both parties will work together to find the best path forward.

ARTICLE 10. INTELLECTUAL PROPERTY

The designs, tech packs, and product documentation created specifically for your project are yours. What we retain is ownership over our working methods, processes, and the general knowledge we develop along the way.

What Belongs to You

10.1 Once all fees have been paid in full, you own the final project-specific deliverables we've created for your product. This includes design outputs, technical documentation, specifications, and anything else developed specifically for your Goods under the agreed scope of services.

10.2 You are free to take those deliverables and use them with any manufacturer, supplier, or partner you choose.

10.3 Your product concept, brand, and any intellectual property you bring to the engagement remain entirely yours throughout. We have no claim over them, and we'll always treat them with the same care and confidentiality we'd want for our own.

10.4 Protecting your product through trademarks, patents, or other registrations is your responsibility unless we've specifically agreed otherwise in writing.

What Belongs to US

10.5 We retain ownership of everything we bring to your project that isn't specific to your product, including our methods, processes, systems, templates, technical know-how, and general development approaches. These represent years of accumulated experience and form the foundation of how we work across all of our clients. Nothing in your Service Agreement transfers any of that to you.

10.6 Any general improvements or technical ideas that emerge during your project but aren't specific to your product may be used by us in future projects. This is standard practice and something we're always transparent about.

New Inventions

10.7 During the course of a project, new and potentially patentable inventions can emerge. If you invent something, it's yours. If we invent something, it initially belongs to us until we agree otherwise. The following clauses explain how we handle the latter.

10.8 Where a new invention created by us is relevant to your product, you have the first and exclusive right to acquire full ownership of it. We'll disclose it to you promptly and in writing, and we'll enter into good faith negotiations with the genuine intention of agreeing a fair transfer price. We want you to own it, we just need to agree on what that's worth.

10.9 We aim to reach agreement with you within 60 days. If we can't get there within that window, we'll keep ownership of the invention but we will not apply it, license it, or use it in connection with any product developed for a direct competitor of yours for a period of 18 months from the date we first disclosed it to you.

10.10 Where applicable, our team members responsible for creating a new invention will be recognised as the inventors in any patent filing, as required by law. Inventorship and ownership are separate things – we can assign ownership to you while remaining named as inventors, and that's exactly what a transfer agreement would reflect.

10.11 You cannot use, commercialise, or exploit any new invention created by us unless ownership or a license has been formally agreed in writing between us.

ARTICLE 11. NON-SOLICITATION

11.1 Our team is one of the most valuable things we bring to your project. They invest real time and expertise in understanding your product, your goals, and your business. To protect that investment on both sides, we ask that you do not attempt to engage, recruit, or hire any member of our team for work outside of BagMe, whether directly or through a third party, during the term of your Service Agreement and for twelve months following its end.

11.2 This applies to all BagMe employees and internal team members, not only those directly involved in your project.

11.3 This clause does not apply to the independent factories, suppliers, designers, or other third-party vendors you are introduced to through the normal course of your project. Those relationships are yours to maintain and develop as you see fit.

11.4 If there is ever a situation where a direct arrangement with one of our team members makes sense for both sides, we're open to that conversation. It just needs to be agreed with us in writing first.

ARTICLE 12. CONFIDENTIALITY

12.1 We take confidentiality seriously. Everything you share with us about your product, your business, and your plans is treated with the same care we would expect for our own. We use your information only for the purposes of your project and never share it with anyone who doesn't have a genuine need to know in order to help us deliver your services.

12.2 Where we have signed a Mutual Non-Disclosure Agreement together, that NDA governs all confidentiality obligations between us and takes precedence over this article.

12.3 Where no separate NDA has been signed, both parties shall protect confidential information with reasonable care. These obligations survive the end of this agreement for two (2) years. Where confidential information constitutes a trade secret – such as proprietary processes or financial data – protection continues for as long as that information retains its sensitive nature.

12.4 Both parties shall comply with all applicable data protection and privacy laws and ensure that any personal data is processed lawfully, securely, and only for agreed purposes.

ARTICLE 13. DISPUTES & GOVERNING LAW

13.1 We genuinely hope this article never needs to be used, but if a dispute does arise, our strong preference is always to resolve it directly, quickly, and without involving lawyers or courts if at all possible.

13.2 If an issue comes up, we ask that both parties raise it openly and promptly rather than letting it build. Most problems are easier to solve early, and a direct conversation is almost always the fastest path to a resolution.

13.3 If a direct conversation doesn't resolve things within a reasonable timeframe, both parties agree to attempt mediation or arbitration before pursuing any formal legal proceedings. We both commit to engaging in that process genuinely and in good faith.

13.4 The governing law that applies to your Service Agreement, and any formal proceedings if it ever comes to that, will be as defined in your Service Agreement.

ARTICLE 14. FINAL PROVISIONS

14.1 These Terms of Service, together with your Service Agreement and any applicable NDA, form the complete agreement between us. They replace any prior discussions, proposals, or informal understandings on the same subject matter. If something isn't in these documents, it isn't part of our agreement, which is why we work hard to make sure everything important is captured clearly upfront.

14.2 Neither party can assign or transfer their rights or obligations under this agreement to a third party without the prior written consent of the other. This protects both of us and ensures the relationship remains between the people who agreed to it.

14.3 If any part of these Terms is found to be invalid or unenforceable, the rest of them remain in full effect.

14.4 All notices under this agreement shall be in writing and sent by email to the addresses set out in the relevant Service Agreement. Where no acknowledgement is received within 48 hours, the sending party will follow up through an alternative contact method on record.

14.5 We've tried to make these Terms as clear, fair, and readable as possible because we believe a good working relationship starts with a good agreement. If anything isn't clear or doesn't feel right, please ask us before signing.

Let's start things on the right foot with a goal of a successful mutually beneficial partnership.

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