

ARTICLE 1: OVERVIEW

1.1 BagMe offers a wide range of services aimed at supporting our clients throughout any or all stages of the product design, development and production of bags, backpacks and other related products.

1.2 Our services include but are not limited to:

- 1.2.1 Product Design & Design Support
- 1.2.2 Factory and material sourcing
- 1.2.3 Factory relationship management
- 1.2.4 Materials selection & development
- 1.2.5 Product development & sampling
- 1.2.6 Documentation
- 1.2.7 Bill of Materials (BOM) management and cost control
- 1.2.8 Production management and quality control
- 1.2.9 Logistics support
- 1.2.10 Related business consultation

1.3 Our Support Packages provide hassle-free ongoing monthly payments without any fixed term contracts.

1.4 More information about our Support Packages and pricing can be found on our website at:

www.bagme.com.au/packages

ARTICLE 2: VALIDITY

General Terms and Conditions are an integral part of the Service Agreement entered into between BagMe and the Client. In the event of any discrepancy between the General Terms and Conditions and the Service Agreement, the Service Agreement shall prevail.

ARTICLE 3: SERVICE FEES & INCIDENTALS

3.1 Support Package service fees will be agreed upon and specified in the Service Agreement.

3.2 All service fees will be paid in advance and are non-refundable.

3.3 Monthly invoices will be issued at the beginning of each calendar month and are payable within 14 days of issue.

3.4 The first month of service will be issued at 2 x the agreed Support Package rate.

3.5 The agreed Support Package fee is a service only fee and does not include incidentals and other project costs including, but not limited to:

3.5.1 Freight charges – including the delivery of your samples to the client, any freight costs from suppliers who are sending us sample material on the clients behalf, freight/shipping costs for production orders and/or any other postal and freight costs.

3.5.2 Sample materials – in cases when suppliers are not able to supply materials for free.

Material development – development costs for custom fabrics and materials as well as tooling costs for moulded parts, logos and other custom materials.

3.5.3 Certification and testing of materials and products – if not already provided by the supplier or if the client requires independent testing.

3.5.4 Travel costs – for travel other than road and rail within 2 hours of District 2, Ho Chi Minh City, Vietnam.

3.5.5 QC Services - when not included in the Support Package or for high-volume orders that exceed the agreed QC value/workload.

3.5.6 Factory Sampling Deposits or Charges - if requested from a factory prior to commencing development.

3.5.7 Other – any other extra costs charged for by third parties

3.6 Incidentals and other projects costs will be invoiced with a 20% administration fee.

3.7 All incidentals and other project costs will be pre-approved by the client and invoiced along with following monthly service fee invoices.

ARTICLE 4: LATE PAYMENT

4.1 In the case where as BagMe does not receive receipt of payment by the due date, a friendly reminder email will be sent to the client.

4.2 If the client does not receipt of payment within 7 days of the due date, BagMe will temporarily suspend providing service as agreed in the Service Agreement until the invoice has been paid in full.

4.3 In instances where the invoice is 14 days overdue, services as outlined in the Service agreement will continue upon receipt of the unpaid invoice along with the service fee for the following month.

ARTICLE 5: TERMINATION

5.1 Either party may unilaterally terminate the Service Agreement by providing at least 21 days notice in writing to the other party.

5.2 When due notice is provided in writing and all invoices issued prior to the notice been given have been paid, BagMe will continue providing services as outlined in the Service Agreement 10 days into the following month, without being invoiced, to finalise any outstanding issues and tasks for the client.

5.3 If invoices issued prior to the notice of termination have not been paid, services will be terminated immediately at BagMe's discretion.

5.4 Any outstanding or new incidentals and other project costs incurred before or during the notice period will be invoiced to the client at the end of the Agreement.

5.5 The Service Agreement can be terminated by BagMe without notice in cases where payment is 10 days or more overdue.

5.6 If there has been an agreed fixed term stipulated in the original Service Agreement, the agreement will automatically expire at the end date if no further agreement has been reached.

ARTICLE 6: FACTORY SAMPLING DEPOSITS & SAMPLING FEES

6.1 In some cases, Sampling Deposits may be requested by factories for new clients and/or start-up brands. Sampling Deposits mostly range between US\$500 and US\$2,000 depending on the scope of the project.

6.1.1 Sampling Deposit will be held by the factory and credited to the client on the final invoice of their first order, if the first order is placed within 12 months of the commencement of development and the order reaches a minimum agreed quantity or value.

6.1.2 If an order is not placed within the 12 month period, the deposit will be kept by the factory to help cover the labour and overhead costs of sampling.

6.1.3 If development continues after the 12 month period, the factory may ask for another Sampling Deposit.

6.2 In other cases, some factories may request fees for each round of sampling requested by clients. On average, these fees average at \$300 a round, per product. In these case:

6.2.1 It can often be negotiated that such fees be credited on the final invoice of the clients first production order based on an agreed time line and minimum order value.

6.2.3 All Factory Sampling Deposits & Sample Fees will be passed on to the client and invoiced as incidental and other product costs.

6.3 Factory Sampling Deposits and Sampling Fees will always be discussed and agreed upon prior to entering into any agreement with a potential factory partner.

ARTICLE 7: INCLUDED QUALITY CONTROL (QC)

7.1 For MINI & BASIC Support Packages, a standard QC Fee of US\$1,000 will apply for all orders up to a value of US\$100,000. For larger orders that require extra time and resources, extra fees may apply.

7.2 STANDARD, PREMIUM & CORPORATE Support Packages, automatically include QC for up to 3 orders and a combined total of US\$2,000,000 in 12 months, at which time extra fees may need to be discussed depending on the size and demands of production and the scope of ongoing development.

7.3 BagMe's included QC services are focused on "creating quality" throughout the development process. We have an in-depth knowledge of bag and backpack construction and production methods and we focus on creating products that are easier produce to reduce the risk of quality issues arising during production.

7.4 Some of our clients require independent QC services from organisations who focus on "checking quality" to certified standards. BagMe can work seamlessly with such organisations as our work takes place on different levels.

7.5 Pre-Production Sample Procedure

7.5.1 Once all materials have arrived at the factory prior to production of a new or updated product, the production team will oversee the making of 2 x of each product SKU. These samples are made using production materials, to exact production specification and are called Pre-Production Samples (or PP Samples).

7.5.2 These PP Samples will be carefully checked by our team to ensure they meet the agreed specifications and quality and that the 2 PP Samples are exactly the same.

7.5.3 We will then physically sign and date the PP Samples and send one set to you for confirmation. Freight cost of PP Samples will be invoiced to you on your next invoice.

7.5.4 You need to check the PP Samples carefully – as you would check any contract – and then sign the samples once you are happy they meet our agreed specifications and quality.

7.5.5 You then need to take photos of the signed samples – with signatures clearly visible – and send the photos to us via email, along with any notes of concern, or things you feel we need to pay extra attention to during production.

7.5.6 These signed samples become the agreement of quality between you and the factory and BagMe will be referring to these samples throughout and after the production process as necessary to clarify questions and concerns.

7.5.7 For repeat orders, we will refer to these original PP Samples and not make new PP Samples.

7.6 Production Quality Control

7.6.1 BagMe will attend Pre-Production Meetings with the factory as necessary to ensure we transfer any knowledge we have gained throughout development to the production team.

7.6.2 Responsible people from BagMe will be at the factory from the earliest stages of production to ensure the production team is clear and so we can resolve any issues early in the process.

7.6.3 Our team will then be making a series of visits to the factory throughout the production of your products as deemed necessary.

7.6.4 During production, we will communicate with you via Skype, Telegram, email and/or phone as necessary to give you feedback and updates throughout production.

7.7 Final Approval

7.7.1 Once production is complete and we are satisfied of the outcome, we will need your final approval before the goods can be released.

7.7.2 We will need your approval in writing either after a Skype conversation in which we will discuss the outcome of production and show you some examples over video call/conference.

7.7.3 We will then randomly unbox some product and send to you so that you can physically check them before sending your approval for the goods to be released.

ARTICLE 8: EXEMPTION OF LIABILITY

8.1 In the event of force majeure, including but not limited to: war, emergency situations, accidents, fires, earthquakes, floods, storms, strikes, epidemics and pandemics or the recurrence of epidemics and pandemics at a level warned by the Government, or any other obstacles beyond the control of the affected Party and cannot be reasonably foreseen at the time of signing the Agreement or cannot be avoided or overcome, neither Party shall be liable and they shall negotiate together to minimise the damages incurred and determine how to resolve the Agreement.

8.2 BagMe shall not be held responsible for any losses incurred by the client or any other party in the following circumstances:

8.2.1 There are delays in production for any reason, unless otherwise contracted in writing prior to a production order being placed.

8.2.2 Goods are received by the client after production which are on average delivered to the quality of the "Pre-Production" and/or "Final Approval" samples approved for release by the client after production.

8.2.3 Any delays in development or delivery of samples or if samples do not meet the clients expectations.

ARTICLE 9. BAGME GOOD FAITH POLICY

9.1 BagMe operates on a policy of good faith, which means we prioritise creating successful and transparent business relationships, focused on delivering for our clients. We don't contract you to our services, and while we aim to clarify the terms of our support, we don't strictly adhere to the limitations we advertise. Instead, we use these limitations as guidelines and refer to them only when necessary to clarify our services.

9.2 Our team provides service without keeping a perfect record of the hours spent supporting your projects. We designed our services to make it easy to notice if we're spending too little or too much time on your projects and we'll communicate with you in good faith to find a fair solution if we feel that either party is not getting the value we expect, such as when we believe you may need to move to a lower-cost or higher value package.

9.3 We're committed to working in your best interests, providing professional support, transparent communication, protecting your information and helping you achieve your goals and deadlines. Our goal is to ensure you are so happy with our service, that the partnership will continue for as long as possible into the future.

9.4 We trust that our clients will appreciate our good faith policy and treat our business relationship with the same respect and that any disputes that may arise during the duration of this agreement can be resolved amicably and in good faith.

ARTICLE 10. PRIVACY & NDA's

11.1 The most valuable asset we have at BagMe is our credibility. Trust takes a long time to earn but can be destroyed in an instant. You can rest assured that any sensitive information you share with BagMe will be kept confidential and in accordance with our Mutual NDA whether we sign one or not.

11.2 We will always treat your information in accordance with our standard Mutual NDA which you can download from our website at: www.bagme.com.au/packages

ARTICLE 11. FINAL PROVISIONS

12.1 These General Terms and Conditions shall be in effect together with the Service Agreement and shall supersede any informal agreements between the Parties with the same content.

12.2 The rights and obligations of the Parties may not be transferred to any third party without the written consent of the other Party.

12.3 Document Version 11.0EN 2023_05_25