

- ▶ SCSAI Counterparty
  - ▶ Notice of Applicable Terms & Conditions for SCSAI ("Notice") and Your acceptance of those Terms & Conditions
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The enclosed terms and conditions entitled Counterparty SCSAI Terms (the "Terms"), along with this Notice constitute the terms agreed between you (the "Counterparty") and the Bank in relation to the supply chain finance program ("SCSAI") relating to Redacted and its all subsidiaries and affiliates (the "Buyer").

In the event of any conflict or inconsistency between the Terms and this Notice, this Notice shall prevail to the extent of the conflict or inconsistency.

Any capitalised terms used in this Notice shall have the meanings set out in the Terms unless defined otherwise within this Notice.

#### **Your acceptance**

By your authorized signatory (whose authority to sign we shall be entitled to assume) signing below, you confirm acceptance of the Terms.

We shall be entitled to assume that:

- (a) You have taken all necessary action to authorise the agreement to and performance of the Terms; and
- (b) the agreement to the Terms and the granting of such authorisations are in accordance with the applicable constitutional documents of your organisation, and such person(s) has/have been duly authorised to appoint such other person(s) as may give Instructions to Us.

#### **Electronic Signature**

The parties agree and consent to the use of electronic signatures solely for the purposes of executing this Notice or any related transactional document (including any amendments thereto). Such electronic signatures shall be deemed to have the same full and binding effect as a handwritten signature.

#### **Bank and Governing Law**

For the purposes of the Terms and this Notice, the Bank is HSBC Bank USA, N.A., and the governing law is that of the State of New York. You and we irrevocably submit to the exclusive jurisdiction of the courts of the State of New York and the courts of the United States of America for the Southern District of New York in respect of any proceedings which may be initiated in connection with the Terms and this Notice.

EACH PARTY HERETO HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION ARISING UNDER THESE TERMS AND THIS NOTICE OR IN ANY WAY CONNECTED WITH THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THESE TERMS AND THIS NOTICE OR THE TRANSACTIONS RELATED HERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE.

*[Signature Page Follows]*

The Counterparty hereby agrees to and acknowledges the Terms for and on behalf of **Crystal Apparel Limited**.

Redacted

Authorized Signatory

Authorized Signer

Title *Financial Controller*

*02/07/2020*

Date

## Counterparty SCSAI Terms

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### Counterparty Details

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▪ Full Legal Entity Name	Crystal Apparel, Limited
▪ Vendor Code (where applicable)	5717989018073140
▪ Address	5/F, Crystal Industrial Building, 71 How Ming Street, Kwun Tong, Kowloon, Hong Kong SAR
▪ Country and State of Incorporation	HONG KONG
▪ Postal Code / PO Box	-
▪ Principal Contact Name	Redacted
▪ E-mail Address (principal contact)	Redacted
▪ E-mail Address (receipt of encrypted emails)	Redacted
▪ Telephone Number	Redacted

#### Account details for receipt of payment:

▪ Bank Name	The Hong Kong and Shanghai Banking Corporation, Ltd.
▪ BIC Code/SWIFT	HSBCHKHHHKH
▪ Bank Account Number	Redacted

These account details are provided to the Bank by the Buyer. If you wish to change the account details for receipt of payments, you must notify the Buyer.

### Process

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Each reference to the Buyer below is a reference to the Buyer and/or, where referring to any communication or provision or receipt of information, itself or, if applicable, its nominated service provider acting as the Buyer's agent for making and receiving relevant communications referred to below.

The Buyer provides details to the Bank in a prescribed format for invoices it has approved for payment ("Approved Invoices"), the debt represented thereby being "Approved Receivables", each an "Approved Receivable". The Buyer also advises the approved amount, Invoice Settlement Date (as defined below) and other additional information required in their agreement with the Bank to enable the Bank, at its discretion, to effect payment at the Invoice Settlement Date as payment agent of the Buyer or, if such payment is an early payment, to purchase the relevant Approved Receivable(s).

If the Bank elects (in its sole and absolute discretion) to make an early payment to you prior to the Invoice Settlement Date, payments shall be made automatically to purchase the relevant Approved Receivable and the purchase price shall be the relevant approved amount less (i) any fees or deductions notified to the Bank as being payable to any service provider nominated by Buyer and deductible from the approved amount (the Buyer Reduction as defined below), (ii) the deductions set out below and any credit notes. Subject to the Bank exercising its discretion and without obligation placed upon the Bank, you may receive funds as early as the next business day.

Any payment is at the sole and absolute discretion of the Bank for regulatory and other reasons and the Bank is under no obligation or commitment to make any payment. If you are not paid by the Invoice Settlement Date or you have queries relating to deductions and/or Invoice Settlement Dates, any such enquiries should be directed to the Buyer.

All purchases shall be subject to a Discount (as defined and calculated below).

All payments are subject to: \$20 wire transfer fee.

The Discount and other fees and charges (if any) will be deducted from the approved amount (and any relevant credit notes taken in to account) before making payment.

Payments shall be made by the Bank on a non-recourse basis. On payment of the purchase price, you immediately transfer all rights, title and interest in the relevant Approved Receivable to the Bank and you will provide all documents (if any) and do (or allow to be done) anything which the Bank deems necessary to effect, perfect, protect or preserve the ownership transfer to the Bank in respect of the relevant Approved Receivable. You shall mark your books and computer records accordingly in relation to purchases made by the Bank in connection with the corresponding Approved Receivable.

Fees and charges may change from time to time and will be notified to you in writing and are in addition to any fees and charges you may incur with your account holding bank and/or intermediary banks.

The Bank may terminate these Terms (or parts thereof) and/or the program immediately on notice (effective from date of receipt). You may terminate these Terms and/or the program upon written notice to and written acknowledgement from the Bank. Any rights and obligations that accrued before termination will survive and all Approved Receivables purchased prior to termination will continue to be governed by these Terms.

You may not assign or transfer these Terms or the right to receive payment from the Bank without the prior written consent of the Bank. The Bank may (i) assign or transfer any of its rights or obligations under these Terms, or (ii) enter into sub-participation arrangements in relation to these Terms, in each case with any person without your consent.

#### **Definitions**

***"Approved Currency"** means (i) initially, U.S. Dollars (USD) and (ii) from time to time in Bank's sole discretion, Singapore Dollars (SGD), Japanese Yen (JPY) and/or Euro (EUR).*

***"Benchmark Rate"** means, for the relevant Approved Currency, LIBOR (London Inter-Bank Offered Rate), as administered by ICE Benchmark Administration Limited or any successor administrator of that rate and displayed on the applicable Reuters screen, for the period corresponding to the Term, as determined by the Bank on the date of payment. Where the Term falls between two published periods for LIBOR, the rate quoted for the longer period will be used by the Bank. If no relevant rate is published or available for any reason, the Bank will determine the rate by*

applying the rate per annum at which the Bank or, at the Bank's discretion, another member of the HSBC Group, was offering deposits in that currency and a comparable amount to leading banks in the London interbank market for that period at or about the time at which the rate is required to be determined. In each case, if such rate is less than zero, the Benchmark Rate shall be deemed to be zero.

**"Business Day"** means a day other than a Saturday or Sunday on which commercial banks are open for business in New York, NY.

**"Discount"** means, for each Approved Receivable purchased (prior to the Invoice Settlement Date confirmed by the Buyer), an amount equal to: (1) the approved amount (less any relevant credit notes applied, where relevant) confirmed by the Buyer multiplied by (2) the Discount Rate, divided by (3) a 360 day year multiplied by (4) the Term.

**"Discount Rate"** means, unless the Bank notifies you of a different rate in writing, a percentage, calculated as the sum of (A) the percentage interest on the approved amount confirmed by the Buyer using the relevant Benchmark Rate on the date of payment of the purchase price for the relevant Approved Currency, plus (B) a margin of 2.50%.

**"HSBC Group"** means HSBC Holdings plc and its subsidiaries and associate undertakings including any of their branches.

**"Invoice Settlement Date"** means the date (which may, if agreed between the Buyer and you, differ from the invoice due date) identified by the Buyer as the date for settlement of the relevant approved amount; for the avoidance of doubt if the relevant date identified is not a Business Day, then it shall be deemed to have been identified as the next following Business Day.

**"LIBOR"** means, for the Approved Currency, LIBOR (London Interbank Offered Rate), as administered by ICE Benchmark Administration Limited (or any other successor thereto which takes over administration of such rate) at or around 11:00 a.m. London time on two (2) Business Days immediately preceding the Invoice Settlement Date for the 30 to 180 day LIBOR period; provided that if such offered rate shall be less than zero, LIBOR shall be deemed to be zero. In the event that such rate is not available, "LIBOR" shall be determined by reference to such other comparable publicly available service for displaying the offered rate for deposits in U.S. Dollars in the London interbank market as may be selected by the Bank and, in the absence of availability, such other method to determine such offered rate as may be selected by the Bank in its sole discretion.

**"Term"** means the number of days from the date of payment by the Bank to you to the Invoice Settlement Date (inclusive) confirmed by the Buyer.

#### **Acknowledgements, Warranties & Representations**

You acknowledge, agree, warrant and represent that:

- you are and will remain fully compliant with all laws and regulations applicable to you and no insolvency proceedings or process has been commenced by or against you;
- your involvement in the supply chain finance program with a Buyer has not violated and shall not violate any applicable anti-bribery laws and regulations including, but not limited to any relevant provision of any applicable anti-bribery laws and regulations in force in the jurisdiction where you and the Bank are domiciled and operate, and you have not engaged, and undertake that you shall not engage, in the following conduct: making of payments or transfers of value, offers, promises or giving of any financial or other advantage, or requests, agreements to receive or acceptances of, any financial or other advantage, either

directly or indirectly, having the purpose, effect or acceptance of, or acquiescence in, public or commercial bribery or other unlawful or improper means of obtaining or retaining business, commercial advantage or the improper performance of any function or activity, and you shall procure the compliance with the above obligations from your own associated persons, agents or subcontractors as may be used for the fulfilment of your obligations herein;

- neither you nor any of your subsidiaries, directors, officers, employees, agents, or affiliates is an individual or entity ("Person") that is, or is owned or controlled by Persons that are: (i) the subject of any sanctions issued, administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, or the Hong Kong Monetary Authority (collectively, "Sanctions"), or (ii) located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions;
- you will not, directly or indirectly, use any benefit derived from the supply chain finance program to support any activities or business of or with any Person, or in any country or territory, that is, or whose government is, the subject of Sanctions; or in any other manner that would result in a violation of Sanctions by any Person;
- you will not use the proceeds of any transaction for the benefit of, or transfer to any of the following entities: any entity containing "Hongkong and Shanghai Banking Corporation" or "HSBC" in its name; Bank of Communications; Hang Seng Bank; or Saudi British Bank. Examples of transactions where the proceeds are used for the benefit of or transferred to one of the specified entities include, but are not limited to, repaying, directly or indirectly, the principal or interest on any loan or extension of credit, including by overdraft, from one of the specified entities, making any required payment, directly or indirectly, under an agreement to the specified entity, including any payment or collateral required under a derivative contract, and purchasing any asset, including intangible assets, from the specified entity;
- you confirm compliance and will comply in all material respects with foreign and domestic laws and regulations relating to Sanctions, pertaining to each jurisdiction in which you operate and to each Approved Invoice, and will promptly notify the Bank of any circumstance in connection with an Approved Invoice that may relate to money laundering, terrorist financing, bribery, corruption, tax evasion or Sanctions;
- the Bank shall be entitled to refuse, stop or cancel any early payment and/or take any action to protect the Bank's interest in the event that any representation or warranty given by you is inaccurate or untrue;
- where you have confirmed an email address for receipt of encrypted emails from the Bank, the Bank may, at its discretion, send encrypted emails to you with relevant payment information identifying Approved Invoices, Approved Receivables, approved amounts, Invoice Settlement Date, date of payment and the correlating net amount paid (after fees and charges). Terms and conditions apply to the use of the Bank's encrypted emails solution, Securemail, which you will need to agree separately in order to receive the emails. The Bank shall not be liable to you (or any third party, including the Buyer) in any circumstance for any error or omission in any email it issues to you;
- in the event that any payment made by the Bank renders you liable to any tax (including without limitation any value added, sales, withholding or other tax), levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) imposed by any government or other taxing

authority) due or imposed in any jurisdiction, the Bank shall not be liable in relation to, nor responsible for, any claim made by you relating to your liability for such tax in any circumstances;

- you agree that the Bank may make any deduction on account of tax the Bank is required to make by any local or foreign tax or regulatory authority from or in respect of any payment made to you, or to another person at your request or instruction, in connection herewith or any purchase and the Bank may pay the amount deducted to the relevant tax or regulatory authority;
- you indemnify the Bank against any loss, damage, cost, expense or liability including reasonable attorney fees the Bank incurs or suffers as a result of (i) any breach by you of the Terms and (ii) any applicable tax being assessed on, payable by or claimed against the Bank arising out of or in connection with these Terms and payments the Bank makes to you (excluding any relevant income tax imposed on the Bank), including (but not limited to) any value added, sales, withholding, stamp duty, registration or other similar tax; you must pay any amount you owe under this clause within five days of demand by the Bank;
- no claim shall be made by you or any of your officers, directors, employees, agents, representatives or advisers against any member of the HSBC Group or any of their officers, directors, employees, agents, representatives or advisers for any special, indirect, punitive or consequential damages in respect of or arising from breach of contract or any other theory of liability relating to or connected herewith; all such claims are waived and released;
- at any time that transfer of ownership of an Approved Receivable purchased by the Bank is not perfected and/or enforceable by the Bank directly without your involvement, you hold that Approved Receivable on behalf of and on trust for the Bank and you will promptly account to the Bank, on your receipt of any recoveries in respect of it;
- no third party holds or will hold an interest (including, but without limitation, any ownership or security interest) in your invoices submitted to the Buyer or the Approved Receivables;
- all payments made by the Bank shall be made based on the information provided to the Bank by the Buyer and the Bank shall be under no obligation to check the account details provided to us by the Buyer. To the extent that any issue arises related to the amount paid, set-off, counterclaim, credit notes, deduction or withholding, it will be a matter for you and the Buyer to determine;
- the Buyer intends to permit its nominated service provider (if any) to make a reduction as a fee in respect of use of its platform in respect of each Approved Invoice (each such reduction, a "Buyer Reduction") and to notify the Bank of relevant approved amounts as approved after making the relevant Buyer Reduction. In this regard, you confirm to the Bank that:
  - the Buyer or its service provider (if any) has made full disclosure of the Buyer Reduction arrangement to you and you have acknowledged and agreed to it; and
  - neither the Buyer nor any such service provider has exerted improper pressure or used improper means to require or influence you to agree to receiving any early payments from the Bank or to agree to the Buyer Reduction and/or any other deductions applicable;
- no person or party shall be a third-party beneficiary to these Terms or any part thereof; and

- each of the acknowledgements, warrants and representations above are deemed to be made on the day hereof and thereafter, including at the time of each payment made to you by the Bank.

The following disclosure provisions survive termination and are binding for 3 years after a valid termination:

- You permit the Bank to pass on information it receives in connection herewith: (a) to the Bank's successors and assigns; (b) to any company in the HSBC Group; (c) to the Bank's professional advisers; (d) to any rating agency, insurer or other provider of credit protection to the Bank; (e) to any person with whom the Bank may sub-participate in any risks or rewards under purchased Approved Receivables paid by the Bank; (f) to any person whom the Bank may reasonably consider necessary to obtain payment of any Approved Receivables purchased by the Bank; (g) as required by law or to any court or regulatory, supervisory or governmental authority; or (h) to a federal reserve or central bank, provided that, in the case of a disclosure under (a), (b), (c), (d), (e) or (f) above, the party to whom disclosure is to be made is bound to keep that information confidential and use it only for the purpose for which it is disclosed.
- You undertake to provide the Bank on request with any information or documentary evidence about your tax status or the identity or tax status of any of your ultimate or any intermediate owners that the Bank considers (acting reasonably) is needed to comply (or demonstrate compliance or avoid non-compliance) with any HSBC Group member's obligations to any local or foreign tax or regulatory authority (the "Tax Information").
- You authorise (and undertake on request to obtain the written authority or consent of any of your ultimate or any intermediate owners for) any member of the HSBC Group to disclose your or your ultimate or any intermediate owners' Tax Information (as applicable), information about these Terms and any purchased Approved Receivables involving you and the link between these Terms and those purchases and you or your ultimate or any intermediate owner(s) to any local or foreign tax or regulatory authority.
- Nothing in these Terms obliges the Bank to act or refrain from acting in any way that might cause breach of any legal or regulatory requirement, contractual obligation, or Bank policy, or harm the Bank's or the HSBC Group's reputation.

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Please note that to complete the on-boarding process, you must [have] also complete[d] relevant documentation with the Buyer's service provider (if any). The Bank is informed that the current service provider to the Buyer is Infor (US), Inc. who may require a "Direction and Consent and Assignment Agreement" (DCAA) that will have been uploaded to the vendor portal.