

GENERAL SALES AGREEMENT
for manufacturing of goods / services in the tailoring industry

1. General conditions

- 1.1. The contract contains conditions that control the relationship between the CUSTOMER and SUPPLIER if goods/service is purchased from the SUPPLIER.
- 1.2. The agreed conditions are valid for all orders for manufacture and delivery of goods / services that the CUSTOMER has ordered from the SUPPLIER.
- 1.3. The contract is valid for both sides and cannot be dissolved without the written consent of both sides.
- 1.4. If one party violates the contract unilaterally, the other party can keep it for additional costs incurred due to the unilateral termination of the contract. None of the parties can hold the other party responsible for the additional costs of third parties who are not participant of this contract.
- 1.5. Providing information about the terms of this contract to a third party without the written permission of the other contracting party is not allowed.
- 1.6. Communication between parties should be made only in Bulgarian, English or Russian languages.

2. Price negotiation

- 2.1. The CUSTOMER is allowed to send a request about the offer to the SUPPLIER.
- 2.2. The SUPPLIER shall make an offer to the CUSTOMER in advance stipulated period.
- 2.3. The CUSTOMER shall provide the SUPPLIER with a detailed drawing, technical guidance, special production requirements, sample of garment and samples of fabric and materials used therein as these remain the property of CUSTOMER.
- 2.4. The CUSTOMER is responsible for transport costs of sending the samples, technical documentation and gathering them back.
- 2.5. The sample of garment is used as a model for the constructing and sewing process unless the CUSTOMER indicates different in the technical documentation of the request.
- 2.6. The sample is used as a model for quality of workmanship unless the CUSTOMER indicates different in the technical documentation of the request.
- 2.7. If the CUSTOMER is unable to provide the SUPPLIER with a sample of garment and physical samples of fabric and materials the CUSTOMER shall be obliged to send to the SUPPLIER 100% correct detailed drawing, technical documentation of garment and materials used therein and special production requirements (if any). Based on this information the SUPPLIER shall calculate his offer price which can vary by + / - 10 percent of the final price.
- 2.8. If the CUSTOMER hasn't done description of all the necessary details in the drawing, technical documentation of product and materials used therein, and special production requirements or make changes in any of them, the SUPPLIER has the right to adjust his offer price. The CUSTOMER must be informed of the price change as quickly as possible.

3. Customer order

- 3.1. The CUSTOMER has entrusted the production of goods / services to SUPPLIER by signing the customer order (Appendix 1) which shall state:

- type of product / service
- price
- delivery terms for supply of materials
- delivery terms for goods / services
- payment terms
- other conditions

3.2. By signing Customer order (Appendix 1) the CUSTOMER accepts the General sales agreement of Brandsmile.

3.3 If terms negotiated in the Customer order differ from the terms of this contract the advantage should be given to the terms agreed in the Customer order.

3.4. The order is considered to be assigned when the SUPPLIER receives it by the email or fax.

3.5. The CUSTOMER should send the SUPPLIER a signed and stamped original of the order within period of 3 days after being assigned.

4. Deadline for executing the customer order

4.1. The deadline for manufacture and delivery of goods/services by the SUPPLIER is indicated in the client order.

4.2. If the manufacture and delivery of product / service is delayed through the fault of the SUPPLIER, the CUSTOMER has the right to receive the discount of the contract price as follows:

07-14 working days: 1%

15-25 working days: 2%

25-45 working days: 5%

45-60 working days: 10%

60-90 working days: 25%

A calendar week contains 5 working days except national holidays.

4.3. If delay is longer than 90 days the CUSTOMER is not required to pay the contract price but the SUPPLIER must complete manufacture of goods/services. Otherwise, the SUPPLIER has the responsibility for costs of materials, finishing and shipping costs made by the CUSTOMER.

4.4. If the manufacture and delivery of goods/service is delayed because fault of the CUSTOMER, the SUPPLIER has the right to extend the execution of customer orders with as many days as the delay caused by the CUSTOMER.

5. Quality

5.1. It is a must that the SUPPLIER manufactures and delivers the goods/services specified in the customer order according to acceptance criteria of quality specified in advance by the CUSTOMER.

5.2. The CUSTOMER should specify in written, detailed and unambiguous acceptance criteria for quality before the customer order has been assigned. The SUPPLIER must fulfill quality criteria set by the CUSTOMER.

5.3. If the CUSTOMER has not set or will change the criteria for the acceptance of quality after customer order has already been awarded, the SUPPLIER has the right to calculate the new price. The CUSTOMER should be informed of the price change as quickly as possible.

5.4. The CUSTOMER may specify criteria for quality by requiring a pre-production sample to be made from the CONTRACTOR. In this case CUSTOMER's written comments to the pre-production sample are considered as

acceptance criteria of quality. The CUSTOMER is responsible for all costs of production and transport of the pre-production sample.

5.5. The CUSTOMER must approve written the quality of the manufactured goods /services prior to departure as requires a sample of production (shipment sample) to be sent by the SUPPLIER. The CUSTOMER should send written shipment sample's comments which are considered as acceptance of the goods/service produced by the SUPPLIER. The CUSTOMER is responsible for all costs of production and transport of the shipment sample.

5.6. The SUPPLIER undertakes to remove in due course and on its own responsibility any comments made by the CUSTOMER of the shipment sample before dispatch of goods/ services as long as they are not in conflict or may not have been omitted in specifying acceptance criteria of quality before the customer order has been assigned.

5.7. The CUSTOMER is permitted to require more than one sample from the production (shipment sample), to verify the quality of the goods/services he will receive. All costs of production and transport of additional samples are at the CUSTOMER's account.

5.8. The CUSTOMER may send a representative to monitor the quality of workmanship of the goods/services. The SUPPLIER shall provide normal environment for making control.

5.9. The CUSTOMER shall verify the quality and to inform the SUPPLIER if any problem occurs within period of 5 days after receipt of the goods/services. Solving the problem will be subject of further negotiation between the CUSTOMER and SUPPLIER. If the CUSTOMER shall not notify SUPPLIER to problems with the quality of the goods/ services in that period it shall be deemed adopted and the SUPPLIER can not be held responsible for problems that would occur later.

6. Documentation

6.1. The CUSTOMER shall send to the SUPPLIER a detailed, accurate and proper documentation regarding the execution of customer order on time which allows the SUPPLIER to arrange the smooth conduct of the manufacturing process.

6.2. The SUPPLIER can not be held responsible for consequences resulting from missing, inaccurate or contradictory information sent by the CUSTOMER.

6.3. The SUPPLIER has the right and obligation to seek clarifications and confirmations in documentation sent by the CUSTOMER.

6.4. The CUSTOMER is required to answer the questions of SUPPLIER as soon as possible but no later than 24 hours after asking the question. In case of delayed response which violates the manufacturing process the SUPPLIER may claim extension of execution of customer order with the same time + 1 day to reorganize the production process.

7. Delivery of materials

7.1. The CUSTOMER can buy and send at its own expense all or part of the materials needed to produce the goods/services subject to the customer order. Materials remain property of the CUSTOMER until the execution of customer orders ends.

7.2. The CUSTOMER shall send the purchased materials to the SUPPLIER within the agreed time specified in the customer order. If the CUSTOMER delays to send the purchased materials within 7 days duration of execution of customer order is automatically extended by the period of delay of materials + one day to reorganize the production process. If the CUSTOMER delays to send the materials he purchased more than 7 days the duration

of execution of client orders shall be renegotiated again. 7.3. The SUPPLIER shall verify the quantity of materials supplied and check their compliance with standard consumption rates of the goods/service within five working days. The SUPPLIER shall notify the CUSTOMER in written if any shortage and inconsistencies occur. The CUSTOMER shall send the missing materials in the shortest possible time.

7.4. If the SUPPLIER becomes aware of any defects of materials sent by the CUSTOMER he shall immediately inform the CUSTOMER in an appropriate way - by fax, email or send picture of defects.

7.5. The SUPPLIER shall keep and take care of the materials owned by CUSTOMER. If the SUPPLIER damage or destroy materials owned by the CUSTOMER he can be held responsible for the cost of materials as well as for transport costs incurred to send additional materials. The SUPPLIER shall not be liable for lost profits of the CUSTOMER.

7.6. The CUSTOMER may instruct the SUPPLIER to purchase all or part of the materials necessary to execute the customer order. In this case the CUSTOMER shall be obliged to pay the price agreed in the customer order. Materials remain the property of the SUPPLIER until the CUSTOMER pays the total value of the customer order.

8. Subcontractors

8.1. The SUPPLIER may use subcontractors for complete or partial execution of the customer order. In this case the SUPPLIER shall bear all responsibilities under this agreement if any damages are caused by his fault or that of subcontractors.

8.2. All transport and other costs of executing the customer order by subcontractors are at SUPPLIER's account unless otherwise agreed.

9. Dispatch of goods / services

9.1. The SUPPLIER shall notify the CUSTOMER three days in advance of the date of dispatch of goods/services.

9.2. The CUSTOMER can arrange transportation of the goods subject of the customer order on its own account.

9.3. The CUSTOMER may instruct the SUPPLIER to arrange for transport of goods subject to the customer order to a place designated by him. In this case the CUSTOMER shall pay the SUPPLIER the agreed price for transportation and logistics services.

9.4. The SUPPLIER shall deliver goods/services to the CUSTOMER accompanied with Delivery note (Appendix 2) and Invoice.

9.5. The CUSTOMER shall within five days after receipt of goods/services to verify the amount and sign the Delivery note or declare shortages.

9.6. The CUSTOMER shall send to the SUPPLIER the signed and stamped copy of Delivery note via email or fax within 5 days after receipt of goods.

9.7. The CUSTOMER shall send to the SUPPLIER the signed and stamped original of Delivery note within five days after receipt of goods.

10. Billing and Payment

10.1. The SUPPLIER shall invoice the CUSTOMER at the time of the dispatch of goods/ services.

10.2. When the transaction is carried out in Bulgaria the CUSTOMER shall send to the SUPPLIER signed and stamped copy of the invoice within three days of receipt of goods.

10.3. Where the transaction takes place within the EU the CUSTOMER must send to the SUPPLIER a copy of the

signed and stamped Confirmation letter (Annex 3) via email or fax in five days after receipt of goods.

10.4. When the transaction is carried out within the EU the CUSTOMER shall send to the SUPPLIER the original of signed and stamped Confirmation letter (Appendix 3) in five days after receipt of goods. Otherwise, the SUPPLIER is entitled to issue an invoice for the VAT due.

10.5. Payment terms and conditions are specified in the customer order. In case of late payment by the CUSTOMER the SUPPLIER shall be entitled to claim 0, 1% interest for each day of delay.

11. Miscellaneous provisions

11.1. For all issues that have not been settled by this General Terms the provisions of the operating legislation of the Republic of Bulgaria shall apply.

11.2. All disputes, arising from this contract or related to it, including those arising from or concerning its interpretation, invalidity, performance or termination, as well as the disputes for filling gaps in this contract or its adaptation to newly established facts, shall be referred for resolution to the Court of Arbitration at the Bulgarian Chamber of Commerce and Industry in compliance with its Rules for Litigations, based on arbitration agreements.

List of appendixes:

Appendix 1: Customer Order

Appendix 2: Delivery note

Appendix 3: Confirmation letter

I declare that I am familiar with the terms of the framework agreement for manufacturing of goods / services in the tailoring industry and I do accept them.

CUSTOMER:

SUPPLIER:

Customer Order

C.O. Number: 0000000847

C.O. Date: 04-11-2009

Customer:

Company: Customer Company

Address: street 26

City: Customer City

VAT: xxxxxxxxxxxx

e-mail: customer@customer.xx

Tel: tel +xx xxx xxxx; fax +xx xxx
xxx, mobile +xx xxx xxxx

Contact Name: Customer name

Supplier:

Company: BrandSmile Ltd

Address: 22 Ferdinand Blvd., Entr. A, Fl. 3

City: Ruse

VAT: BG117668343

e-mail: info@brandsmile.net

Tel: +359 82 505 505, fax +359 82 505
500

Contact Name: Snejana Draganova

No	Description	Quantity	Price	Amount
1	Cut & make of style HS09.04	38 pcs.	€xx.xx	€xxx.xx
2	Cut & make of style HS09.18	36 pcs.	€xx.xx	€xxx.xx
3	Cut & make of style Scarf	12 pcs.	€xx.xx	€xx.xx
Terms of payment: After xx days from delivery			Total :	€xxx.xx
Corresponding documents: Customer order No:			VAT 0% :	
			Grand Total:	€xxx.xx
Special conditions: Delivery address: Invoicing address: Delivery Date: 18-11-2009 EXW INCOTERMS: EXW				

By accepting this order the supplier automatically accepts Framework agreement of BrandSmile Ltd.

Ordered By:**SUPPLIER:**

Customer name

СНЕЖАНА ДРАГАНОВА

Please sign and seal and return back by fax or email.

Delivery note

No:0000003002, date:03-12-2008

Buyer:	Customer company
Address:	street 26
VAT No:	xxxxxxxxxxxxxx
Presented by:	Customer name

Supplier:	Brandsmile Ltd.
Address:	15A, Petko Karavelov Str., Ruse 7000, Bulgaria
VAT No:	117668343
Presented by:	Dimitar Yalumov

№	Code	Article	Note	Q-ty
1	SKIRT	Customer art: Supplier art: MB91.074301 - GREY, парт.No:40	p-p 40	1 pcs.
2	SKIRT	Customer art: Supplier art: MB91.074301 - SNAKE SKIN, парт.No:40	p-p 40	1 pcs.
3	TROUSERS	Customer art: Supplier art: MB91.084400 - BLACK, парт.No:40	p-p 40	1 pcs.
4	TROUSERS	Customer art: Supplier art: MB91.084400 - GREY, парт.No:40	p-p 40	1 pcs.
5	TROUSERS	Customer art: Supplier art: MB91.084400 - PURPLE, парт.No:40	p-p 40	1 pcs.
6	JACKET	Customer art: Supplier art: MB91.081200 - SILVER, парт.No:44	p-p 44	1 pcs.
7	JACKET	Customer art: Supplier art: MB91.081200 - SNAKE SKIN, парт.No:44	p-p 44	1 pcs.
8	TROUSERS	Customer art: Supplier art: MB91.092404 - BLACK, парт.No:44	p-p 44	1 pcs.
9	TROUSERS	Customer art: Supplier art: MB91.092404 - BROWN, парт.No:44	p-p 44	1 pcs.

Total: 15 pcs.

Received:

Presented: СНЕЖАНА ДРАГАНОВА



Authorised signature:

Authorised signature:

CONFIRMATION LETTER

ПОТВЪРЖДЕНИЕ

For arrival of goods to the territory of EU member-state

За получени стоки на територията на държава-членка на ЕС

From/От Customer company (Name of the VAT registered entity/individual) Street 26 (Registration address) xxxxxxxxxxxxxxxxxx VAT Identification Number/ИН по ДДС	To/До BrandSmile Ltd. (Firm/Фирма) Bulgaria, 7004 RUSE 15A Petko Karavelow str (Address/адрес) BG 117 668 343 VAT Identification Number/ИН по ДДС
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The undersigned.....
Долуподписаният (First name, surname and family name of the signatory)

acting in the name and of behalf of the entity specified above
Действащ от името и за сметка на лицето, посочено по-горе

hereby certifies that the goods arrived from Firm BrandSmile Ltd. Bulgaria
С настоящото потвърждавам, че стоките, получени от фирма

under Invoice No/Date 000000959 / 08-12-2008
по фактура номер/дата

have arrived to the territory of Street 26
пристигнаха на територията на

I am aware of the responsibility in case of declaring incorrect information
Известно ми е, че нося отговорност за деклариране на неверни данни

Signature, Stamp
Подпис, печат

Capacity of the person who signed this document
Длъжност на лицето, подписало документа

Date and place of issue
Дата и място на издаване