

Section 2

REQUIREMENTS FOR NEW SUPPLIERS

Welcome to Giftcraft! The Giftcraft Supplier Guide is an important tool available to all import and domestic suppliers. The Supplier Guide contains the policies and procedures required for successful transactions with Giftcraft. The appropriate departments within your organization must carefully review and understand this guide. A signed copy of the document titled '**Giftcraft Supplier Guide Acceptance of Product Quality, Packaging and Shipping Standard' (APQPSS)** must be emailed or faxed back to the: Merchandizing Team/ Quality Assurance Team at fax # (905) 790-0738. This form is a requirement to set up the supplier as a vendor in our system. The APQPSS form can be found in "Section 8 – Forms" of the Supplier Guide.



G:\Giftcraft Supplier
Guide APQPSS Form.c

The chart below provides a basic understanding of the cycle of operations every supplier must follow to successfully sell and ship merchandise to Giftcraft.

Product Evaluation

START

1. Buyers perform product evaluation
2. Supplier accesses supplier guide
3. Supplier sends email, or faxes APQPSS form to Giftcraft
4. Supplier quotes product and the measurements of the product
5. Samples requested for line review
6. Line review is finalized

Supplier is Ready to Ship

13. Supplier to book 21 days prior to SAIL DATE with Expeditors International. Before booking, allow one week to obtain OMB USER NAME and PASSWORD from the origin office.
14. Supplier faxes shipping documents and Inspection Certificate, Fumigation Certificate and PPPD form & TSCA Title VI Compliant/ TTL6 label as required to the Giftcraft Imports Department.
15. Merchandise is shipped via approved consolidator.
16. Giftcraft payment procedures begin
17. Supplier sends original documents to Giftcraft via courier (documents sent late are subject to penalties)

Supplier Acceptance of Terms and Conditions

7. Purchase order is sent to supplier
8. Supplier faxes 'Sales Confirmation' page from purchase order contract to Giftcraft

Production of Merchandise

- Carton markings, UCC and UPC labels for each item on the purchase order must be submitted for approval before mass printing
- Supplier produces merchandise that is of equal or greater quality to the sample approved by the Giftcraft Merchandising Team, and meets all specifications set forth in the supplier guide.
- Supplier submits packaging conformation form with attached pictures of protective packaging, carton markings and labeling project to the Quality Assurance Team for review and approval and confirms that the inner and master carton packaging is passing 3 feet (90cm) high drop test on all six sides.
- Supplier performs QC inspection of product ready to ship to Giftcraft. Any non-conformance from our requirements will be subject to claim and charge back.

The Purchase Order Contract



Giftcraft Ltd.
8550 Airport Rd
Brampton ON
L6T 5A3
Canada

Supplier Information
including valid postal
code

Purchase Order

#CE0209

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Vendor

ANTEC ACCESSORY CO.,LTD.
RM 203,BLDG C NO.50,LANE 2080
LIANHUA RD, SHANGHAI
Shanghai • • • 201103
CHINA

Giftcraft Ltd
8550 Airport Road
Brampton ON L6T 5A3
Canada

TOTAL

\$1,386.00

P. O. Date	Ship Mode	Ship Via	F.O.B	Vendor Code	Business Number / Tax ID
12/20/2023	By Sea	EXPEDITORS	SHANGHAI	ANT06	CAN: 138339775 USA: 161416759

Sail Date	Incoterm	Currency	Payment Term	PO memo
02/15/2024	FOB Port - Collect	USD	NET 45 DAYS	

LN#	GC ITEM #	VENDOR ITEM #	QTY	DESCRIPTION	PRICE	PER	EXTENDED
1	407402ED	AN20218	420	Cttn/Nyl,Kntd,Leggings,S/12,Black Styles: 1, Colours: 1, Colours: Black, Produ UPC#: 067103982534 Pieces per :Master 12, Inner 1 INNER UCC128: 407402ED 1 EA, MASTER UCC128: 407402ED 12 EA Master Carton Dimensions/Weight:14x13x7in / 6.66lbs Cubic Measure: 0.7373Cuft Inner Dimensions: 12x6.5x1.1in/ 0.49lbs Harmonized Tariff: 6104.62.00.22 Factory: ANT06-038 XIUXIN KNITTING CO LTD Packaging: SN Style N-Poly Bag-Refer to Supplier Guide, ZX Include SILICA Packs, Label: CPWL Charlie Paige Wrap Label ,CP02 Charlie Paige SIL-Brand Label ,CP04 Charlie Paige SIL-Care and Content			

UPC, Inner UCC 128 and Master UCC 128 labels

Giftcraft Item#
407402ED

Approved packaging style as per
packaging guide.

Type of artwork to be used for UPC
Code labeling.

Total \$1,386.00



Giftcraft Ltd.
8550 Airport Rd
Brampton ON
L6T 5A3
Canada

Purchase Order

#CE0209

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*****IMPORTANT*****

Please confirm receipt of this Purchase Order by carefully reading the instructions below, then signing this page and sending a copy by e-mail to the issuing Procurement Analyst. Your signature at the bottom confirms that ALL instructions and details have been understood and are correct.

- 1) All item numbers including their descriptions are agreed to without discrepancies.
- 2) All inner cartons, master cartons and quantities are correct and match the required dimensions and weight.
- 3) The prices and terms are correct.
- 4) All packaging, labeling and product quality standards(as set out in our supplier guide) have been reviewed and will be adhered to with close attention to detail.
- 5) Pictures of protective packaging must be submitted for approval at the beginning stages of production.
- 6) Any failure to comply with the details of the Purchase Order will result in non-compliance charges.
- 7) All bank charges are the responsibility of the supplier.

ANTEC ACCESSORY CO.,LTD.

Total Value of #CE0209: \$1,386.00

Total Number of Cartons: 35

Total Cubic Measure: 25.8055 Cuft

Total Weight: 233.10 Lbs

Confirmed Sail Date: 02/15/2024

VENDOR SIGNATURE

GIFTCRAFT SIGNATURE

VENDOR TITLE

DATE

DATE

This certifies that the above person agrees with the instructions of the Purchase Order, and has read and fully understands the standards of quality and packaging for all items on the Purchase Order. Upon signing, this document becomes legally binding.



CE0209

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This is the sales confirmation that the supplier must sign and fax back to Giftcraft. A signature on this form confirms that the supplier agrees to all details on the purchase order. Any revisions must be requested in writing and must be sent via email or fax to the appropriate Procurement Analyst. Any changes must be agreed to in writing by a Giftcraft representative.

This page is always the last page of the purchase order contract.

The Important of Accuracy Fulfillment

Giftcraft has unique requirements for retail product vendors. Timelines of delivery is of utmost important to our customers because they need our products by specific dates to be sold at store. To be a valued vendor and partner we need you to be accurate and honest regarding how long it will take to fulfill a Purchase Order. Please keep this in mind when accepting Purchase Order and informing us when they can be fulfilled so we can know exactly when to expect it to arrive. **Notification to Buyer is to be made immediately if Vendor is unable to deliver in part or all the item included in the PO. Partial shipments are not allowed without the written consent of the Buyer. Approval for substitutions, quantity, pricing changes or ship date changes must be obtained from the Buyer in writing in the form of an updated valid PO revision.** US Custom required valid China postal code hence ensure to provide valid factory name, address and postal code. Any manufacturer change must be approved by Buyer with valid quote sheet revision.

Intellectual Property Infringement

It is assumed that the items purchased by Giftcraft are purchased in good faith are of legal standing are available on a legitimate basis. It is the supplier responsibility to ensure that the purchased item DOES NOT infringe upon intellectual property agreements already existing. This includes trademark, patent, copyright, industrial design, and trade secret issues. As valued supplier and partner you will hold Giftcraft harmless and will defend Giftcraft in the event of any action.

Product Inspection Criteria

At Giftcraft we are committed to providing our customers with the best quality merchandise available in the giftware industry. Ultimately, **it is the suppliers' responsibility to ensure that only the highest quality merchandise is shipped to Giftcraft by performing thorough inspections prior to shipping. The inspection must be conducted at the supplier's facility by a supplier designated quality control employee. All products must meet or exceed the quality of the sample approved by the Merchandising Team.**

It is a Giftcraft requirement that all suppliers properly cushion products to pass a reasonable protective packaging test and to ensure that the condition of the product is preserved for the duration of regular shipping and handling to our facility and beyond to our customers. The packaging must meet or exceed the requirements of the supplier guide. The product labeling and carton markings must meet all requirements of the supplier guide and the purchase order contract.

The list below is intended to provide some recommendations to cover the most basic points to keep in mind when doing a product inspection. Suppliers must use the recommendations together with additional product inspection criteria already in place.

- Does the product exactly match the approved sample? Size, colour and weight must be as per approved sample.
- Has the supplier submitted pictures for product quality approval to the Giftcraft Merchandising team?
- Is the merchandise properly packaged? All packaging materials must meet all minimum strength requirements specified in the supplier guide, and all merchandise must be packaged as per the specifications of the packaging style guide. The inner carton and master carton packaging must pass 3 feet (90 cm) high drop test on all six sides. All sides of every carton must be closed. All inner cartons or inner polybags and master cartons must be securely closed using clear pressure-sensitive plastic or nylon-reinforced tape or water-activated reinforced tape. Do not use plastic strapping or staples to close master cartons.
- Is the merchandise properly labeled with UPC and any other type of labeling specific to the product?
- All items shipped to us including samples must be labeled with country of origin.
All items shipped to us including samples produced in Hong Kong must be labeled with country of origin marked as "Made in Hong Kong/ China/ Fabriqué en Hong Kong/ Chine". Please refer to CSMS # 43633412 to read the complete publication .
- Are the inner and master carton markings and UCC labels, correct? UCC labels must be both human readable and scannable by a barcode reader.
- Has the supplier submitted the packaging conformation form with attached pictures for product packaging, carton markings and labeling approval to Giftcraft Quality Assurance team?
- Are instructions, if required, included in both English and French? Any product that must be assembled or requires specific handling instructions must have bilingual instructions attached with the product.

Suppliers are expected to use this list in addition to their own shipment inspection checklist to ensure they meet the quality and packaging standards required by Giftcraft. If defects are found, suppliers must not ship the product.

A defect is a flaw that could prevent a customer from purchasing an item, causes a customer return, or does not comply with legal and/or specific requirements. Product received at Giftcraft and considered to be of substandard quality or packaging, will be refused and returned to the supplier at the supplier's cost. 100% replacement at landed cost will be charged for merchandise that is returned to the supplier.

If the rate of returns from our customer is high, we will make a claim within a year.

Any glass / ceramic item that is not FDA approved must be labeled with a "Decorative Use Only" label (refer to section 6.8). The label must be visible at retail and needs to be applied directly onto the item itself to ensure that it cannot be easily removed. If necessary, the vendor may use a hand tag but they will have to make sure that it is securely fastened and cannot be easily removed.

The supplier must complete the "Certificate of Inspection" form and fax it along with the shipping documents and Fumigation Certificate and PPPD form as required to Giftcraft prior to shipping the purchase order to Giftcraft Shipping team.

In accordance with U.S. Environmental Protection Agency (EPA) and Health Canada there are national formaldehyde emissions standards and third-party certification requirements for regulated composite wood products (hardwood plywood, medium-density fiberboard and particle board) being imported into United States and Canada. Vendors must label their products.

Therefore, all composite wood used in the production of items being purchased by Giftcraft must be certified as being "TSCA Title VI Compliant" by an EPA approved 3rd party lab.

All products made of wood, bamboo, rattan including roots, seeds, parts or products thereof supplier is required to complete the *Plant and Plant Product Import Declaration (PPPD) Form* to comply with USDA Lacey Act.

In an effort to comply with the USDA regulations, Giftcraft will not accept ANY items produced of real wood that have a branch or twig that is greater than 1 cm in diameter OR any wood items that are covered in Bark regardless of diameter. Suppliers failing to comply with these requirements will be subject to penalties.

All wood items must be declared in detail listing the wood name (i.e., Asian White Birch) and the scientific name (i.e. Betula Platyphylla) on all Correspondence including Quote sheets and commercial invoices.

All products of Wood, Bamboo, Rattan including Roots, Seeds, Parts, or products thereof, MUST be Fumigated AND a compliant "*Fumigation certificate*" must be provided at the time of shipment.

These forms are required in order for payment procedures to begin.

The Certificate of Inspection form and PPPD form can be found in sections 7 and 8 of the supplier guides.

Please find attached the packaging conformation form, which you will have to submit 15 days prior shipping date for approval.

It is the sole responsibility of the vendor to ensure item is properly packaged to arrive the final user destination in good condition.

Items must be packaged in the correct inner case pack and master case count, sizes and color assortment as shown on PO.

All items must be packaged to withstand the rigors of shipping and repeated handling. Cartons must be fully packed, with no void spaces or over loading (bulging), capable of being stacked onto each other in safe and consistent manner.

In the event item received damaged or need rework, recall or withdrawal whether mandatory or voluntary Giftcraft reserve the right to issue a recall notice, cancel outstanding purchase orders and return all item for full refund and charge back the vendor any costs incurred to facilitate the rework, recall/ withdrawal

Vendor has 30 days from receipt of the submitted claim form and return authorization request to provide disposition instructions. Any failure to respond to the claim and return authorization request after 30 days will be considered the vendor's authorization to take a deduction against the vendor the vendor's account and Giftcraft will dispose the concerned item accordingly.

All Vendors are required to implement documented sharp tools and metal object policies for each factory location.

Examples of policy points include but are not limited to:

- Sharp tool control procedures
- Needle control
- Metal detection

The above policy points are only examples of components that may be found in a comprehensive sharp tool and metal object policy. The Vendor must review every manufacturing location and develop policies that best fit them.

Giftcraft Supplier Guide

Acceptance of Product Quality, Packaging and Shipping Standards

By signing this form, I _____ acknowledge
(Name and title of person signing the form)
that all appropriate departments within _____
(Company name)
have read and understood all requirements and standards specified on the
Giftcraft Supplier Guide. We further agree to abide by all instructions set forth in
the documents listed below:

- **The Giftcraft Inc. Purchase Order Contract**
- **The Giftcraft Product Measurements, Product Quality and Packaging Standards Section of the Supplier Guide.**
- **The Giftcraft Packaging Style Guide Section of the Supplier Guide**
- **The Giftcraft Shipping Instructions and Documents Section of the Supplier Guide.**

We understand that any deviations from the specifications and/or instructions of the Giftcraft Supplier Guide or the purchase order contract must be agreed to in writing with the appropriate department within the Giftcraft organization. We understand and agree that any non-conformances with any of the instructions agreed to with Giftcraft, will result in charge-backs to our company.


Name and Title (Print)

Signature

Date

Company Chop

Example of the packaging confirmation form

GIFTCRAFT PACKAGING CONFIRMATION FORM	
Vendor Name: P.O. #:	Vendor Code Item #:
Date:	
Master Carton	
Shipping Mark - Print of four sides of the carton	UCC 128 Label for Master Carton
 <p>ITEM #: PO #: QTY.: CUBIC MEAS.: cuft GROSS WT.: lbs MADE IN _____ / FABRIQUÉ EN _____</p> <p>CUSTOMER SERVICE CANADA 1-877-387-9777 / U.S.A. 1-877-387-4888 www.giftcraft.com</p>	<p>Attach a jpeg scan of the actual UCC label. Digital pictures of UCC labels cannot be read by a barcode reader device.</p> <p>Attach picture here</p>
Inner Carton	
Shipping Mark - Print on oneside of the carton	UCC 128 Label for Inner Carton
<p>ITEM #: QTY.:</p>	<p>Attach a jpeg scan of the actual UCC label. Digital pictures of UCC labels cannot be read by a barcode reader device.</p> <p>Attach picture here</p>
UPC Label To be placed on each product	
Front of UPC label	Back of UPC label
Attach a jpeg scan of the actual UPC label. Digital pictures of UPC labels cannot be read by a barcode reader device.	Attach a jpeg scan of the actual UPC label. Digital pictures of UPC labels cannot be read by a barcode reader device.
<p>Pictures of UPC Placement on product <i>UPC label must be applied on each component of the set or assorted item.</i> Attach digital pictures of product with UPC codes attached.</p>	

Master Carton Markings Pictures		Inner Carton Markings Pictures	
Attach digital picture of master carton markings here. <i>Master carton must be secure closed/ taped.</i>		Attach a picture of inner carton markings here. <i>All sides of inner carton/ polybag must be closed/ taped.</i>	
Product Pictures / NOTE: Product must match approved sample! It must be approved by assistant Buyer			
Protective Packaging Pictures			
Additional pictures of assorted or set packed items; Items with Displayer PDQ			
<i>If the item is assorted, it must be packed correctly inside the inner carton. Displayer/ PDQ must be packed into inner carton.</i>			
Inner carton packaging passes 90 cm drop test: YES <input type="checkbox"/>		Master carton packaging passes 90 cm drop test: YES <input type="checkbox"/>	
Inner carton packaging passes others: _____		Master carton packaging passes others: _____	

NOTE: Packaging confirmation form approves only labeling & packaging NOT the product. Product must be approved by assistant Buyer