

URBN

Urban Outfitters, Anthropologie, Free People

Overruns

Purpose URBN is obligated to purchase up to 5% over and above individual purchase orders, providing that merchandise is made available to us at the same time as the main shipment and style/color/size ratios are maintained.

Note: Supplier requires no special authorization to ship foregoing goods to us.

Schedule To the extent that supplier has produced goods over and above this allowance, they must advise us, in which case, we may elect to negotiate the sale. Under no circumstances, however, are we obligated to accept such overages.

Procedure The following steps should be followed should we decline to accept overages, contractor is obligated to:

Step	Action
1	Deface all main labels and remove all Urban Outfitters/Anthropologie/Free People identification from the product, except logo buttons, embroidered treatments, etc., which are not readily removable. Refer to the "Defacing of Labels on Non-Conforming Product" section.
2	Hold seasonal goods for 180 days beyond last ex-factory date for given style. Authorization to sell off merchandise must be in writing by the appropriate URBN product manager.
3	Garments must remain and be sold within the country of origin. Garments cannot be transshipped to another country for disposal
4	Once provisions of Step 3 have been met, supplier may dispose of goods without further notice.

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Cancelled Orders

Purpose The purpose of this procedure is to determine the appropriate actions to be taken, and the vendors prerogative to resell merchandise, when URBN exercises its right, under the terms of the Purchase Agreement, to cancel a purchase order prior to it having been shipped.

Schedule As stated in the Terms of Purchase Agreement, URBN may cancel any PO by written notice to the vendor before the cancel date on the applicable PO. URBN may cancel all or any part of any undelivered order if URBN's business is discontinued or substantially impacted in whole or in part by a cause beyond URBN's reasonable control, such as fire, flood, earthquake, storm, unusually severe weather, labor dispute, war, embargo, civil commotion, or governmental act.

Procedure The following steps should be followed should URBN cancel a purchase order, and the vendor elects to exercise their right to re-sell the merchandise. Vendor shall not sell, transfer, or otherwise dispose of any cancelled merchandise without URBN's express written agreement. The vendor is obligated to:

Step	Action
1	Deface all main labels and remove all Urban Outfitters/Anthropologie/Free People identification from the product, except logo buttons, embroidered treatments, etc., which are not readily removable. Refer to the "Defacing of Labels on Non-Conforming Product" section.
2	Hold seasonal goods for 180 days beyond last ex-factory date for given style. Authorization to sell off merchandise must be in writing by the appropriate URBN product manager.
3	Garments must remain and be sold within the country of origin. Garments cannot be transshipped to another country for re-sale
4	Once provisions of Step 3 have been met, supplier may proceed with the off-price sale of the merchandise.

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Irregular Goods

Purpose The purpose of this procedure is to determine the appropriate actions to be taken when the inspection process discovers irregular merchandise.

Schedule The procedure should be followed any time irregular merchandise is discovered through the inspection process.

Procedure Comply with the following steps to determine the appropriate action for handling irregular goods:

Step	Action								
1	URBN reserves the right to review and amend all supplier designated merchandises categories.								
2	Use the following table to determine the appropriate action: <table border="1"><thead><tr><th>If...</th><th>Then...</th></tr></thead><tbody><tr><td>The garments are deemed "thirds", (having fit, fabric or construction faults so egregious as to undermine the reputation of URBN in the eyes of the consumer)</td><td>These garments will not be accepted by URBN., but they may be offered for sale by the supplier providing there is absolutely no URBN (Urban Outfitters/Anthropologie/Free People) identification including hang tags.</td></tr><tr><td>The garments are deemed to be "thirds" and is embroidered or has URBN (Urban Outfitters, Anthropologie, Free People) logo's or identification permanently affixed</td><td>These garments must be destroyed. The contractor is obligated to provide proof of such to URBN and under no circumstances can they be offered for sale.</td></tr><tr><td>The merchandise is deemed to be irregular</td><td>This merchandise may be offered for sale to URBN who is under no obligation to accept sale. If URBN declines to purchase, the supplier may offer for sale to outside parties per the "Overrun" section procedure.</td></tr></tbody></table>	If...	Then...	The garments are deemed "thirds", (having fit, fabric or construction faults so egregious as to undermine the reputation of URBN in the eyes of the consumer)	These garments will not be accepted by URBN., but they may be offered for sale by the supplier providing there is absolutely no URBN (Urban Outfitters/Anthropologie/Free People) identification including hang tags.	The garments are deemed to be "thirds" and is embroidered or has URBN (Urban Outfitters, Anthropologie, Free People) logo's or identification permanently affixed	These garments must be destroyed. The contractor is obligated to provide proof of such to URBN and under no circumstances can they be offered for sale.	The merchandise is deemed to be irregular	This merchandise may be offered for sale to URBN who is under no obligation to accept sale. If URBN declines to purchase, the supplier may offer for sale to outside parties per the "Overrun" section procedure.
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Defacing of Labels on Non-Conforming Product

Types of Defacing

There are three different methods for defacing labels:

Photo	Type of Label	Description
	Top sewn main labels	These labels must be cut or slashed.
	Side sewn labels	These labels must be cut or slashed.
	Labels sewn on all four sides	These labels must be marked with a large "X" using a black permanent marker.

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Goods Received in our Distribution Center which Fail Quality Assurance

Purpose The purpose of this procedure is to determine the appropriate action taken when goods are received in URBN Distribution Center and fails our internal audit.

Schedule This procedure should be followed any time a shipment fails.

Procedure Orders will be either returned to the supplier or sent to a pre-determined designated location in the United States within two working days, freight collect. **URBN is not in the business of selling off seconds to discounters.**

Step	Action
1	Once a shipment fails inspection, suppliers will be notified of the problems accompanied by inspection reports, digital photographs and/or samples.
2	Chargebacks will be issued for the full Landed Duty Paid value.
3	Goods will be packed and scheduled to be shipped from our Distribution Center within 48 hours . It will be the suppliers decision to either 1.) Have the goods returned to them or 2.) Sent to a pre-determined location in the United States. If option 2 is taken, follow the Irregular Goods procedure and Overruns steps 1 & 2.

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**The procedures outlined in this document apply to Ownbrand vendors only.
Market vendors are to refer to the Terms of Purchase Agreement.**

The attached Overruns, Cancelled orders, Irregulars, and Orders Failing Internal Quality Assurance Procedure document describes important information about URBN and I understand that I should consult a representative of the URBN production staff regarding any questions not answered in the document.

URBN, in its sole discretion, reserves the right to change or delete any of these procedures as it sees fit. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing procedures.

Furthermore, I acknowledge that this document is for informational purposes only. It is not a contract and does not create any contractual right or agreement between URBN and the company represented by myself.

I have received URBN Overruns, Cancelled Orders, Irregulars, and Orders Failing Internal Quality Assurance Procedure document, and I understand that it is my responsibility to read and comply with the procedures herein and any revisions made to it.

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As illustrated in the URBN Overruns, Cancelled Orders, Irregulars, and Orders Failing Internal Quality Assurance Procedure document Overruns section, goods may either be 1.) Returned to the vendor or 2.) Sent to a designated location within the United States.

Please provide contact information for designated location to forward goods to below, should you choose option 2.

Upon internal quality assurance failure of goods received, URBN must be informed of location to ship the goods to within 48 hours.