

# Supplier Purchase Terms & Conditions

**Effective Date:** 1 Oct 2025

**Version:** 1.3 (Numbered Clauses)

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## 1. Introduction

1.1 These Purchase Terms and Conditions ("Terms") govern the purchase of goods and services by the following companies (collectively referred to as "the Companies" or individually as "the Buyer"):

- **GIFI ASIA Limited**, a company incorporated under the laws of Hong Kong, having its registered address at Units 901A and 07B-13, 9/F, One Harbourfront, 18 Tak Fung Street, Hung Hom, Kowloon, Hong Kong.
- **Ningbo GIFI Trading Co., Ltd.**, a company incorporated under the laws of the People's Republic of China, having its registered address at 2/F, No.1 Building, E-Union Center, No.1515 Juxian Road, Ningbo, Zhejiang, China.

1.2 These Terms apply to all current and future transactions between the Buyer and the supplier (the "Supplier"), unless otherwise expressly agreed in writing.

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## 2. Acceptance of Terms

2.1 By accepting, confirming, or fulfilling any Purchase Order (PO) issued by the Buyer, the Supplier acknowledges and agrees that:

- 2.1.1 It has read, understood, and accepted the latest version of the Buyer's Purchase Terms & Conditions, including its Code of Conduct, Compliance Requirements, and all referenced appendices;
- 2.1.2 These Terms govern all current and future transactions unless otherwise agreed in writing;
- 2.1.3 The PT&C are made available on our company website : [www.gifiasia.com](http://www.gifiasia.com) .

2.2 The Supplier's commencement of performance, shipment of goods, or provision of services shall constitute full and binding acceptance of these Terms without the need for a physical signature.

2.3 The Buyer reserves the right to update these Terms. The version in effect at the time of order confirmation shall apply.

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## 3. Ethics and Code of Conduct

3.1 The Supplier shall comply with:

- 3.1.1 The Universal Declaration of Human Rights, ILO Conventions, and UN Convention Against Corruption.
- 3.1.2 All applicable anti-bribery and anti-corruption laws.
- 3.1.3 The Buyer's Code of Conduct.
- 3.1.4 Local and international laws regarding workplace safety, labour rights, and environmental protection.

3.2 Violations may result in immediate contract termination.

#### **4. Contractual Structure and Hierarchy**

4.1 Each transaction between the Buyer and Supplier consists of:

- 4.1.1 These Purchase Terms & Conditions;
- 4.1.2 The Specific Conditions in the relevant Purchase Order;
- 4.1.3 Appendices (Code of Conduct, Third Party Evaluation).

4.2 In case of conflict, the following order of precedence applies:

- 4.2.1 Purchase Order (PO) Specific Conditions;
- 4.2.2 Latest Signed Proforma Invoice;
- 4.2.3 These Terms & Conditions.

#### **5. Product Orders and Pricing**

5.1 The Supplier must confirm orders with a signed Proforma Invoice (PI) within 3 working days.

5.2 Prices are based on agreed Incoterms 2020 (FCA, FOB, EXW).

5.3 Any change to pricing, specifications, or lead times must be approved in writing by the Buyer.

#### **6. Delivery and Late Penalties**

6.1 Delivery terms are defined per PO using applicable Incoterms.

6.2 A delivery quantity tolerance of  $\pm 5\%$  is acceptable unless otherwise agreed.

6.3 Late Delivery Penalties apply as follows:

<b>Delay Duration</b>	<b>Penalty (%)</b>
8–14 days	3%
15–21 days	5%

<b>Delay Duration</b>	<b>Penalty (%)</b>
22–28 days	7%
>28 days	10%

6.4 If the Products are for promotions, add 5% to the penalty rate.

6.5 The Buyer reserves the right to cancel the order or claim damages in the event of persistent delays.

## **7. Product Compliance and Quality Control**

### **7.1 Legal and Regulatory Compliance**

- 7.1.1 The Supplier guarantees compliance with REACH (EU), Consumer Goods Safety Ordinance (HK), and all applicable destination-country laws.
- 7.1.2 The Supplier must ensure compliance with product safety, labeling, CE marking, and environmental standards.

### **7.2 Conformity with Samples and Specifications**

- 7.2.1 Products must match approved samples and technical specifications.
- 7.2.2 Buyer may reject non-conforming products or apply claims under Clause 6.

### **7.3 Pre-Shipment Controls**

- 7.3.1 Pre-Shipment Inspection (PSI) is mandatory and must be booked at least 10 working days prior to dispatch.
- 7.3.2 Pre-Shipment Testing (PST) may be required.
- 7.3.3 Failed inspections require a Corrective Action Plan (CAP).

### **7.4 Container Loading Safety (Retention Net Requirement)**

- To prevent any risk of goods falling when container doors are opened, suppliers are required to install a retention net inside each container, positioned at the rear (door side). This net must be capable of holding back packages that may have shifted during transport.
- The net must be strong and suitable for the size and weight of the packages. As a guideline, the mesh size should not exceed 1/10th of the smallest dimension of the smallest package loaded.
- This requirement applies to all containers loaded on behalf of GIFI ASIA LTD.
- Failure to comply with this requirement may result in shipment refusal or logistical penalties, in accordance with Clause 6.

## **8. Intellectual Property**

8.1 The Supplier warrants that:

- 8.1.1 Products, packaging, branding, and related materials do not infringe any third-party intellectual property rights;
- 8.1.2 No part of the product or its presentation includes unauthorized use of protected content.

8.2 The Supplier shall indemnify and hold harmless the Buyer for any claim, cost, or penalty arising from IP infringement.

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## 9. Product Labeling and Barcoding

9.1 Products must include readable, scannable barcodes compliant with the Buyer's specifications.

9.2 Incorrect labeling may result in rejection or penalties as per Clause 6.

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## 10. Invoicing and Documentation

10.1 The Supplier must provide:

- 10.1.1 Commercial invoice (3 copies);
- 10.1.2 Packing list (signed and stamped);
- 10.1.3 Clean on-board Bill of Lading or Forwarder Cargo Receipt;
- 10.1.4 Inspection certificates (if applicable).

10.2 Invoices must include item codes, descriptions, unit prices, total amounts, origin, and container numbers.

10.3 The Buyer may offset penalties or claims against pending payments.

10.4 Delays in the Provision of Required Documentation

- 10.4.1 If the Supplier fails to provide documents within **15 calendar days** from the shipment date, the Buyer shall apply the following deductions:
    - (i) 1% of the Order's PI amount for up to 7 Delay Days;
    - (ii) 2% for 8 to 14 Delay Days;
    - (iii) 5% for more than 14 Delay Days.
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## 11. Warranties

11.1 The Supplier warrants that all Products:

- 11.1.1 Are of merchantable quality, fit for purpose, and safe;

- 11.1.2 Comply with all applicable laws, standards, and regulations;
- 11.1.3 Have secured all required certifications;
- 11.1.4 Are free of liens and third-party claims;
- 11.1.5 Do not infringe intellectual property rights.

## 11.2 Indemnity

- 11.2.1 The Supplier shall indemnify the Buyer for damages, penalties, or legal costs related to defective or infringing products.
- 11.2.2 The Supplier shall bear the costs of recalls, destruction, returns, or rework.

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## 12. Payment Terms

12.1 Payment method and terms are specified in the PO.

12.2 Payment does not imply acceptance of goods.

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## 13. Ownership and Risk Transfer

13.1 Risk passes to the Buyer per Incoterms 2020.

13.2 The Supplier bears the cost of returns due to defects or regulatory issues.

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## 14. Confidentiality

14.1 All exchanged information is confidential.

14.2 This obligation survives for 5 years after contract termination.

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## 15. Term and Termination

15.1 These Terms apply to each accepted Purchase Order individually.

15.2 Either party may terminate the commercial relationship at any time with 30 days' notice.

15.3 Termination does not affect ongoing obligations.

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## 16. Data Protection

16.1 The Supplier shall comply with GDPR (EU) and the Personal Data (Privacy) Ordinance (HK).

16.2 The Supplier must protect all personal data and notify of breaches immediately.

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## 17. Force Majeure

17.1 Neither party is liable for delays or failures due to causes beyond reasonable control (e.g., natural disasters, war, pandemics).

17.2 The affected party must promptly notify the other party.

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## 18. Insurance

18.1 The Supplier must insure the goods up to the agreed delivery point under applicable Incoterms.

18.2 Proof of insurance must be provided upon request.

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## 19. Right to Audit and Inspection

19.1 The Buyer or its agents may audit the Supplier's facilities upon reasonable notice to verify compliance with these Terms.

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## 20. Governing Law and Dispute Resolution

20.1 Hong Kong law applies to orders placed by Gifi Asia Limited.

20.2 PRC law applies to orders placed by affiliated China-based entities.

20.3 Disputes shall be resolved via negotiation, mediation, or ICC arbitration in Paris.

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## 21. Miscellaneous

21.1 No assignment without the Buyer's written consent.

21.2 Failure to enforce rights does not waive future rights.

21.3 If any provision is invalid, the remainder remains enforceable.

21.4 No partnership, joint venture, or agency is created by these Terms.

21.5 These Terms bind all agents, contractors, and third parties acting on behalf of the Supplier.

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## Appendices

- Appendix 1: Gifi Code of Conduct:



Code of Conduct for  
Supplier - GiFi - June

- Appendix 2: Third Party Evaluation



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