



a subsidiary of



Import Open Account Payment Program Overview and Vendor Implementation Guide

May 2016

Dear Supplier,

Orchard Brands and Wells Fargo Bank, N.A are pleased to introduce an Open Account Processing trade payment program which provides vendors with alternative payment terms.

We have partnered with our banking partner, Wells Fargo Bank, who will act as our processing agent. Wells Fargo will be receiving documents from vendors, providing them to Orchard Brands, and remitting payments to vendors. One of the chief benefits of this program is the potential discount of Orchard Brands accepted drafts at a very favourable interest rate.

Orchard Brands understands that post-shipment financing is important to your organization. Wells Fargo Bank is prepared to consider, when requested by a vendor, the discounting of time drawings under our Open Account program.

Please take some time to review the attached document which outlines the new programs and the steps you need to take under this program. Included at the end of this document are the names of staff from Wells Fargo Bank that will work with you throughout our program.

We appreciate our suppliers and believe that you are an integral part of our success. We look forward to working with you on this initiative.

Sincerely

Orchard Brands Sales Agency, LLC

Orchard Brands Open Account Collections with Draft Discounting Program (OA Program)

We have nominated Wells Fargo Bank to act as our processing agent to administer our OA Program. You will present your documents directly to Wells Fargo Bank who, acting on our behalf, will upload these documents and process your payment.

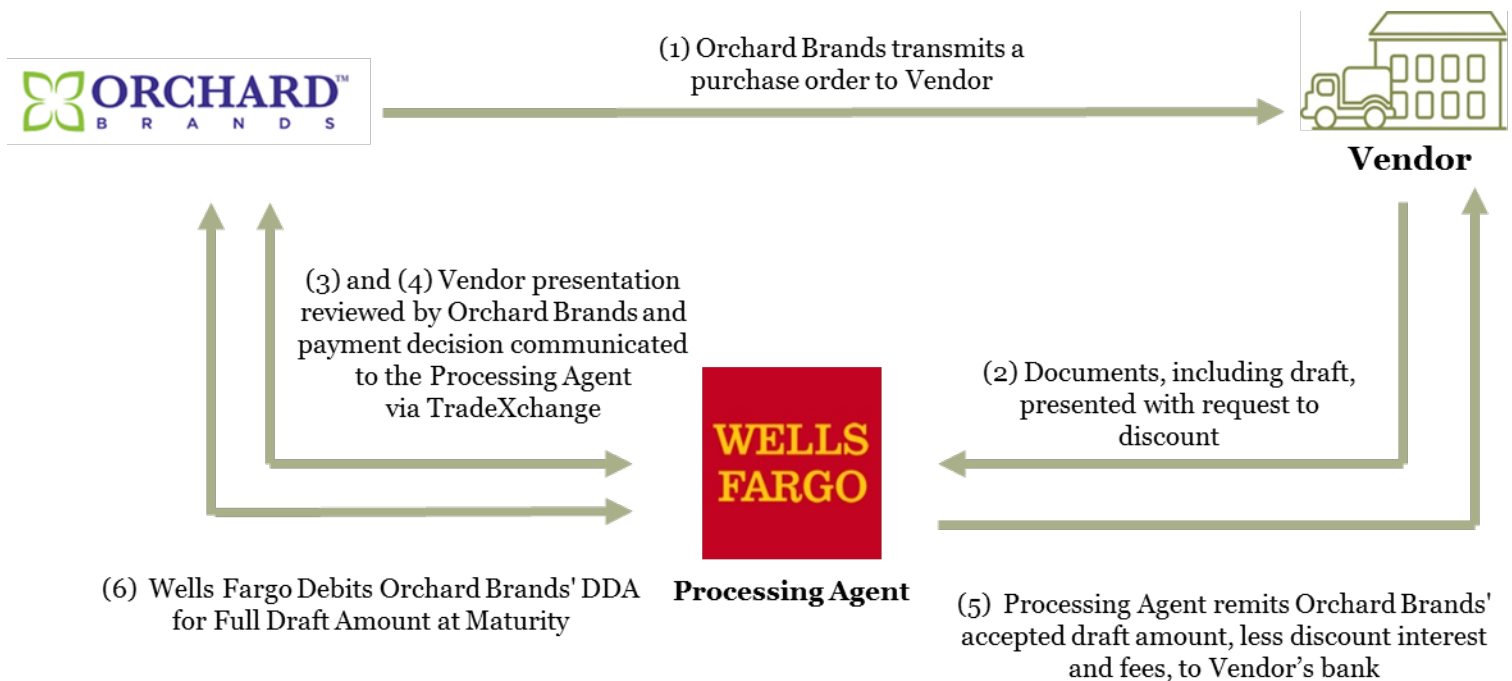
Processing Steps:

- Vendor presents required documents directly to Wells Fargo Bank Hong Kong at the address below **via courier**.
- Please note: **documents do not go to your local bank.**
- If the vendor would like Wells Fargo to consider providing the vendor post-shipment financing, the vendor will indicate so on the Demand for Payment Form, located on the last page of this document. Wells Fargo, in its sole and absolute discretion, will determine if it will discount such draft.

**Wells Fargo Bank, N.A.
Attn: Import Team A
Hong Kong Branch
7/Floor, Cityplaza Four,
12 Taikoo Wan Road, Taikoo Shing
Island East, Hong Kong
Tel : (852) 2509 6451**

- Upon receipt of documents, Wells Fargo Hong Kong uploads the documents and reports to Orchard Brands via an online Wells Fargo system.
- If approved by Orchard Brands, Wells Fargo remits payment to vendor's bank:
 - If vendor requests post-shipment financing and Wells Fargo elects to discount such draft, Wells Fargo Bank sends the payment, less discounted interest and other fees, as instructed by the vendor.
 - If post-shipment financing is not requested or Wells Fargo elects to not discount such draft, upon receipt of available funds from Orchard Brands, Wells Fargo sends the payment - less any fees - as instructed by the vendor on the due date.

Draft Discounting Program Processing Flows



Simple Process

1. Orchard Brands transmits purchase order to the Vendor
2. Vendor presents documents to Wells Fargo with request to discount
3. Wells Fargo scans images and makes them available to Orchard Brands on TradeXchange
4. Orchard Brands reviews presentation and provides pay/no pay instructions via TradeXchange
5. If accepted by Orchard Brands, Wells Fargo remits payment, less discounted interest and fees, to Vendor's bank
6. Wells Fargo debits Orchard Brands Demand Deposit Account for full draft amount at maturity

Pricing for Open Account Collections:

Presented below is the fixed pricing Wells Fargo Bank will charge the vendor. The following processing charges will be deducted from proceeds paid:

Fee Type	Charged by	Fee Amount
Handling Fee	Wells Fargo Bank	USD 75 per presentation*
Discount rate	Wells Fargo Bank	Libor + 2.25 % p.a.** minimum USD 250

*Please note:

- Other incidental fees may apply if special processing is required
- These fees can be changed at any time; if you wish to verify the fees, please contact Wells Fargo

**Please note:

- Drafts which will mature within 14 days will not be considered for discounting by processing Agent
- Discount rate can be changed at any time; if you wish to verify the fees, please contact Wells Fargo
- Maximum of 5 invoices per presentation with identical payment terms or payment due date from date of transport document may be presented.

Trade Services Delivered through Wells Fargo Bank

We have partnered with Wells Fargo Bank, one of the largest US trade banks, to serve as our processing agent for open account. We have chosen Wells Fargo as a partner in recognition of the value-added services they can offer to our vendors. If you would like to hear more about the services Wells Fargo offers our vendor community, please contact our trade relationship managers below:

Christina Li

Wells Fargo Bank, Hong Kong

Tel: (852) 3650 8012

Fax: (852) 2537 1127

Email : christina.sc.li@wellsfargo.com

Matt Jergenson

Wells Fargo Bank, US

Tel: (612) 667-6584

Email : matthew.r.jergenson@wellsfargo.com

Sample Demand for Payment Form (Attached)

Orchard Brands Sales Agency, LLC OPEN ACCOUNT DEMAND FOR PAYMENT FORM (DPF)
ATTACH THIS DPF (ORIGINAL) TO REQUIRED DOCUMENTS

SEND TO:

WELLS FARGO BANK, NA Attn: Import Team A Hong Kong Branch 7/Floor, Cityplaza Four, 12 Taikoo Wan Road Taikoo Shing, Island East HONG KONG TEL: 852-2509-6451		Required Documents Bill of lading Copy of invoice Packing list	
VENDOR'S REFERENCE	VENDOR NO.	DATE	PAYMENT TERMS
VENDOR NAME AND ADDRESS		BUYER NAME AND ADDRESS	
		Orchard Brands Sales Agency, LLC 138 Conant Street Beverly, MA 01915	
INVOICE NUMBER	INVOICE AMOUNT	PO NUMBER	
	USD -		
	USD -		
	USD -		
	USD -		
	USD -		
PAYMENT INSTRUCTIONS		DRAWER CONTACT DETAILS	
BANK NAME:		DRAWER CONTACT PERSON:	
BANK BRANCH:		TELEPHONE:	
DRAWER'S ACCOUNT NUMBER:		FACSIMILE:	
FED ABA NUMBER:		EMAIL:	
CHIPS UID:			
SWIFT ADDRESS:			
TELEX:			

- All collection charges, other than those related to a discount bill purchase, are for account of the buyer. All charges, if any, related to the discount bill purchase, are for the account of the seller and will be deducted from proceeds
 - This Open Account collection order is NOT subject to the Uniform Rules for Collections (1995 Revision), ICC's Publication No. URC 522
 - It is the complete responsibility of the party requesting payment that all instructions above conform to any factoring arrangements in place.
- For questions about documents and payment status, please email to customercare.tradehk@wellsfargo.com.

BILL OF EXCHANGE	
AMOUNT:	<input type="text"/>
DATE:	<input type="text"/>
AT:	<input type="text"/> OF THIS SOLE BILL OF EXCHANGE
PAY TO THE ORDER OF: (vendor name)	<input type="text"/>
VALUE RECEIVED AND CHARGE SAME TO ACCOUNT OF:	
Orchard Brands Sales Agency, LLC 138 Conant Street Beverly, MA 01915	<input type="text"/> (DRAWER'S NAME)
	<input type="text"/> (AUTHORIZED SIGNATURE OF DRAWER)
ENDORSEMENT	
() CHECK HERE IF DISCOUNT OR BILL PURCHASE BY WELLS FARGO BANK, NA IS REQUESTED BY DRAWER. IF CHECKED, THE DRAWER IS INSTRUCTED TO ENDORSE THIS BILL OF EXCHANGE AS FOLLOWS. IF DISCOUNT OR BILL PURCHASE IS NOT REQUESTED, THE DRAWER IS INSTRUCTED TO LEAVE THE ENDORSEMENT BLANK.	
PAY TO THE ORDER OF WELLS FARGO BANK, NA	
	<input type="text"/> (DRAWER'S NAME)
	<input type="text"/> (AUTHORIZED SIGNATURE OF DRAWER)
<small>IN ITS SOLE AND ABSOLUTE DISCRETION, WELLS FARGO BANK, NA MAY ELECT TO DISCOUNT OR PURCHASE THIS BILL OF EXCHANGE. IT IS EXPLICITLY UNDERSTOOD BY THE DRAWER THAT DRAWER'S ENDORSEMENT OF THIS BILL OF EXCHANGE TO WELLS FARGO BANK, N.A. IN NO WAY COMMITS WELLS FARGO BANK, NA TO ANY SUCH DISCOUNT OR PURCHASE.</small>	