

INSPECTION
STANDARD OPERATING PROCEDURE
FOR
URBAN OUTFITTERS

August 7, 2023

| MANUAL REVISION LOG | | |
|----------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5/1/2017 | Ellen Rose | Manual Draft |
| 5/12/2017 | Ellen Rose | Pg 4: replace QA Personal and Director of Manufacturing and Sourcing with Production Management |
| 5/15/2017 | Ellen Rose | Pg. 3: add Urban Outfitters contact information Pg. 7: add Urban Outfitters contact for report distribution |
| 6/22/2017 | Ellen Rose | Pg. 3: update SGS CSR to Violet Zhang Pg. 7: update report distribution to add Violet Zhang and remove Cynthia Yang |
| 8/9/2017 | Ellen Rose | Pg. 3 & 7: update Urban contact email addresses |
| 1/9/2019 | Ellen Rose | Pg. 7: Remove Colleen Burns from report distribution |
| 03/06/2019 | Ellen Rose | Pg. 7: all reports must be uploaded to data manager within one working day of completion of inspection |
| 06/03/2019 | Ellen Rose | Pg. 7: update report distribution |
| 06/03/2019 | Ellen Rose | Pg. 7: update report distribution |
| 07/31/2019 | Ellen Rose | Pg. 7: remove Colleen Burns from report distribution |
| 08/21/2019 | Ellen Rose | Pg. 7-8: update report distribution for all brands |
| 09/17/2019 | Ellen Rose | Pg. 10: Add Defect Reporting points to include in inspection reports |
| 1/13/2020 | Ellen Rose | Pg. 3 & 8: update Anthropologie production contact Pg. 8: add report distribution for Turkey reports |
| 2/17/2020 | Ellen Rose | Pg. 3 & 8: update Anthropologie and Free People contacts |
| 5/26/2017 | Ellen Rose | Pg. 3 & 8: remove Megan Melofchik from Anthropologie report distribution and add Amy Steinert |
| 3/12/2021 | Ellen Rose | Pg. 4: add SGS China CSR |
| 3/4/2022 | Ellen Rose | Pg. 3 & 8: update Free People Production contacts |
| 8/10/2022 | Ellen Rose | Pg. 3 & 8: Update Urban Brands contacts Pg. 12: update number of pieces for measurement and only measure Critical POM. Add critical POM reference |
| 9/21/2022 | Ellen Rose | Pg. 12: add direction for jump size measurements |
| 10/03/2022 | Ellen Rose | Pg. 3: remove Linda Tiberi from Free People contact |
| 04/11/2023 | Ellen Rose | Pg. 6: Add manikin check Pg. 7: add photos of manikin check in report |
| 08.07.2023 | Ellen Rose | Pg. 3 & 8: update Womens contacts |

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1. CONTACTS

Urban Outfitters 5000 South Broad St. Philadelphia, PA 19112

Karen Wilkins: SR. Technical Director All Brands: kwilkins@urbn.com

| Anthropologie | | |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Technical Design Manger | Production Team | Technical Designer |
| Andrey Oshlykov < AOShlykov@urbn.com > | Jolie Jimenez jjimenez@urbn.com | *MACY WENDLER mwendler@urbn.com |
| | Production Coordinator – Amy Steinert asteinert@urbn.com | |
| Free People | | |
| Technical Design Manger | Production Team | Technical Designer |
| Diana George DGeorge@urbn.com | Lauren Smith Medina LSmithMedina@urbn.com | As noted in tech pack |
| | Helin Ozge Suvari hsuvari@urbn.com | |
| | Linda Tiberi ltiberi@urbn.com FP movement styles | Elizabeth Minett: EMinett@urbn.com |

| Urban Outfitters Women's | | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Technical Design Manger | Production Team | Technical Designer |
| Elizabeth Minett EMinett@urbn.com | Liz Mizak Emizak@urbn.com | As noted in tech pack |
| | Mandi Amundson-Fine MAmundson@urbn.com | |
| | Melissa Bashir Mbashir@urbn.com | |
| SWEATERS & Urban Outfitters MEN's | | |
| Technical Design Manger | Production Team | Technical Designer |
| Margaret Mecca | Anthro Sweaters: Candace Hill CHill@urbn.com | Anthro Sweaters: Amanda DeNinno ADeNinno@urbn.com |
| | FP Sweaters: Erin Copus ECopus@urbn.com | FP Sweaters: Eder Bispo ebispo@urbn.com |
| | UOW Sweaters: Caitlin Hoagland CHoagland@urbn.com | UOW: Louise Stewart LStewart@urbn.com |
| | Men's: Yigit Kinalikaya YKinalikaya@urbn.com | Men's : Peter Dalton PDalton@urbn.com |

Contacts continued

SGS

291 Fairfield Avenue
Fairfield, NJ 07004

Global Account Manager:

Name: Ellen Rose

Title: Key Account Manager

Contact for: Day to day activities and correspondence, inspection coordination, local testing status, operational issues, maintenance of SOP

Phone: 973-461-7958

Email: ellen.rose @sgs.com

Asia Account Manager:

Name: Ginny Wu

Contact for: Day to day activities and correspondence, inspection coordination, local testing status, operational issues

Phone: +852 2204 8347

Email: ginny.wu@sgs.com

Asia Customer Service Representative:

Name: Yana Yao

Phone: + 86 (0)755 2532 8888 ext.6156

Email: yana.yao@sgs.com

China Customer Service Representative:

Name: Branden Chen

Phone: +86 (0) 512-62993052

Email: branden.chen@sgs.com

2. Quality Assurance Program

Overview

- Vendors /Factory must ensure that QC Managers and Auditors are consistent and thorough in their procedures.
- Urban Outfitters must provide vendor/factory with quality assurance procedures for raw materials inspection, online quality control, and final inspection for training and open communication to ensure that the quality assurance processes are consistent with Urban Outfitters expectations and inspection criteria as well as ensure that all units shipped arrive as first quality saleable merchandise for distribution.
- It is imperative to Urban Outfitters quality assurance efforts that the following checkpoints are verifiable and performed:
- In-Line (During production) audits to be performed for each operation by factory/agent QA. Reports are to be submitted to Urban Outfitters upon request.

- Final Random Inspections (FRI) to assure all units shipped are first quality saleable merchandise, packaged, packed and shipped in full compliance with requirements. FRI should be conducted when 100% of goods is produced and at least 80% of the order is packed.
- Vendor/agent is responsible for ensuring that all factories have QA process in place, in line with Urban Outfitters requirements.
- Inspection reports have to be submitted to the Urban Outfitters Production Management within 24 hours after the inspection
- Must attain written approval prior to order confirmation from Urban Outfitters Production Management for any deviation from these requirements and specifications indicated for Urban Outfitters quality assurance efforts.
- No product can be shipped from the supplier that SGS has given non conformance rating without written/email confirmation from Urban Outfitters Production Management.
- Urban Outfitters is not obligated for payment to the supplier where product has been shipped with a non conformance rating given by SGS without written/email confirmation from a member of Urban Outfitters Production Management team.

3. Garment Inspection

Sampling Plan for Softlines inspection

ANSI/ ASQC Z1.4 (Former Military Standard MIL-STD-105E) is the most widely accepted method of sampling by attributes. The method is based on the mathematical theory of probability and offers the advantage of clearly defining the number of samples to be drawn for inspection from a given lot and the maximum number of defective samples allowed in the sample size. Normally, CMRG will employ the ANSI/ ASQC Z1.4 as follow:

Sampling: Single Sampling Plan
 Normal Inspection
 General Inspection Level II

AQL describes the maximum number of defects that can be considered acceptable as process average. Different AQLs are designed for different classification of defects (i.e. Critical, Major, and Minor). The AQL is agreed upon between buyers and suppliers before the start of production.

Urban Outfitters will use the following AQLs during inspection if not otherwise instructed:

AQL: Critical 0.0 (Not allowed)
 Major 2.5
 Minor 4.0

Critical: 0.0: A critical defect is most likely: To result in a hazardous or unsafe condition when the product is used by the consumer and to violate mandatory regulations.

Major: 2.5 : A major defect is most likely; easily recognized by the consumer at the time of purchase, to result in a functional failure, which reduces the usability of the product, and also affects the salability of the product, To result from the deficient material make-up of the product

Minor: 4.0: A minor defect is one which does not reduce the usability of the product, is noticeable by the consumer only after a careful examination, and can be easily fixed by the consumer without the use of special skills or tools.

URBAN OUTFITTERS reserves the rights to adjust inspection level based on vendor's performance history.

4. INSPECTION REQUIREMENTS

4.1 Urban Outfitters Requirements

The detailed visual inspection of the samples selected at random is based on Urban Outfitter's order documents and instructions.

Prior to inspection, Urban Outfitters/supplier will provide SGS the following:

1. Purchase Order or Letter of Credit
2. Factory addresses and contact info. See request for Quotation form.
3. Approved Reference samples
4. Product specifications
5. Packing and marking instructions

4.2. Inspection Criteria

All specifications which can be evaluated visually, measured, compared by touch and feel, etc. have to be inspected based on the received instructions, samples and/or contractual purchase documents.

Manikin Check

1. The garment checking on manikin by inspector is a general review with overall presentation of style against Ref. sample, symmetrical, alignment of garment with layers, or other special attention point client defined.
2. The condition is the suitable or client pointed manikin by category should be available at inspection room/place.
3. Inspector will select 1pc with medium size and compare with ref. sample for the checking at manikin, if there is obvious problem detected, inspector may add about 2 more pcs to double check the situation. Also, sometimes when inspector found some particular issue during the inspection at table, inspectors may put it on manikin to double evaluate the effect.

4.3 Final Random Inspection (FRI)

SGS will perform inspection following the ANSI/ASQC Standard Z1.4- 2008 General Inspection Level II. Applicable for workmanship, size measurement, labeling and packaging.

- Goods are 100% finished, at least 80% packed into export carton, proceed with FRI;
- Goods are 60%-80% packed into export carton, proceed with FRI but state packed qty and ratio into report

4.4 Initial Production check (IPC)

IPC performed at beginning of garment production when 5-10% of production is completed and focused on pieces in process available. General Inspection Level II, critical 0.0, 1.5 major, 2.5 minor. Applicable for workmanship, size measurement, labeling and packaging.

4.5 During Production Check (DUPRO)

Dupro to be done at approximately 30-50% of total order out of machines for order size of 10,000/pcs. This needs to be at General Inspection Level II, AQL critical 0.0, major 2.5, minor 4.0. Applicable for workmanship, size measurement, labeling and packaging.

4.6 RE-INSPECTIONS

If Final random inspection result is failed and upon the request of Urban Outfitters QA staff, a re-inspection of the product may take place using the original reference samples, specifications, etc.

Factory is responsible for re-inspection charge.

Factory is responsible for aborted inspection charge.

5. REPORTING

5.1 Instructions for completing Urban Outfitters Inspection Reports

- inspection report cover sheet – general client/vendor/factory information, product identification, PO #, and overall SGS Inspection summary
- inspection report – Standard SGS report format, findings per section, AQL chart by PO, labeling, packaging, photos of reference sample, photos of defects, any observation, photos of manikin check (front, back, side views)
- add column on cover sheet of report for overall conclusion: “subject to client’s evaluation”
- measurements chart audit – include tolerance/beyond tolerance

When the results are satisfactory, or with Acceptable Quality Limits, an SGS Certificate is issued to enable the Sellers/Suppliers to ship the goods and obtain payment from the bank.

If results are beyond Acceptable Quality Limits and without buyer’s acceptance or an SGS certificate is not stipulated in the L/C, an Actual Findings Report (non-negotiable) is issued for reference.

If results are classified as “subject to client’s evaluation” Urban Outfitters must respond to SGS within 1-2 business days of receiving report to advise conform or non conform.

If Urban Outfitters classifies inspection report as “conform” SGS will revise report conclusion (within 1-2 business days of receiving Urban Outfitter approval) to note “conform” and an SGS Certificate is issued to enable the Sellers/Suppliers to ship the goods and obtain payment from the bank.

5.2 Report Channel

Executing affiliate should send the inspection reports to Urban Outfitters by email copying SGS KAM and CSR. Inspection reports will be issued next working day from completion of inspection.

When issuing inspection report, please follow below example for email subject line:

Urban Outfitters- Supplier Name – Inspection Date – Result

5.3 Report Distribution:

Please send inspection reports to all contacts noted for each of the following brands:

| Anthropologie | | |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Technical Design Manger | Production Team | Technical Designer |
| Andrey Oshlykov < AOShlykov@urbn.com > | Jolie Jimenez jjimenez@urbn.com | *MACY WENDLER mwendler@urbn.com |
| | Production Coordinator – Amy Steinert asteinert@urbn.com | |
| Free People | | |
| Technical Design Manger | Production Team | Technical Designer |
| Diana George < DGeorge@urbn.com > | Lauren Smith Medina LSmithMedina@urbn.com | As noted in tech pack |
| | Helin Ozge Suvari hsuvari@urbn.com | |
| | Linda Tiberi ltiberi@urbn.com FP movement styles | Elizabeth Minett: EMinett@urbn.com |
| Urban Outfitters Women's | | |
| Technical Design Manger | Production Team | Technical Designer |
| Elizabeth Minett EMinett@urbn.com | Liz Mizak Emizak@urbn.com | As noted in tech pack |
| | Mandi Amundson-Fine MAmundson@urbn.com | |
| | Melissa Bashir Mbashir@urbn.com | |
| SWEATERS & Urban Outfitters MEN's | | |
| Technical Design Manger | Production Team | Technical Designer |
| Margaret Mecca | Anthro Sweaters: Candace Hill CHill@urbn.com | Anthro Sweaters: Amanda DeNinno ADeNinno@urbn.com |
| | FP Sweaters: Erin Copus ECopus@urbn.com | FP Sweaters: Eder Bispo ebispo@urbn.com |
| | UOW Sweaters: Caitlin Hoagland CHoagland@urbn.com | UOW: Louise Stewart LStewart@urbn.com |
| | Men's: Yigit Kinalikaya YKinalikaya@urbn.com > | Men's : Peter Dalton PDalton@urbn.com |

All reports:

Supplier: As documented on inspection request form

SGS: Ellen.rose@sgs.com, violet.zhang@sgs.com, yana.yao@sgs.com

Turkey Reports: must include the above contacts per Brand, Supplier, SGS and

CKocakaya@urbn.com, NBiber@urbn.com, FCoku@urbn.com

5.4: Client Portal

All inspection reports must be uploaded to the client portal within next working day of completion of inspection. Please follow the Urban Outfitters data manager mapping guide which is uploaded on the SGS sharepoint site under Urban Outfitters folder.

6. INVOICE & PAYMENT

SGS directly bills the applicant or Urban Outfitters for the inspection, as per the agreed Urban Outfitters/SGS Pricing. **(Please clarify billing party)**

The vendor must submit the Urban Outfitters inspection request form in order to receive Urban Outfitters pricing.

Inspection price quotes to be sent to the following for approval:

(please provide contact name and email address if Urban Outfitters will approve the inspection price quotes)

Procedures may vary according to local or specially arranged practices. The normal invoice process in the USA involves payment in advance or, if credit has been approved, payment from the invoice that accompanies the inspection report.

6.1 Invoices should be issued after completion of each inspection by SGS- USCTS and addressed to the applicant for inspection request.

6.2 All invoices should include Inspection report #, P.O. #, factory name and location, and date of inspection.

6.3 Re inspection invoices to be invoiced by executing affiliate to factory

6.4 Aborted inspections to be invoiced by executing affiliate to factory

7. Final Random Inspection Procedure

Introduction

Urban Outfitters requires independent 3rd party inspection by approved services to conduct final random inspection of their goods minimum 3 days' prior shipping.

After performed inspection, Urban Outfitters must receive the report within 24 hours

Final Random Inspection Sampling Plan

Final Random inspection will be based on ANSI/ASQC Z1.4 (MIL-STD-105E) **Normal** Single Sampling Plan, Audit **Level II, AQL 2.5 major 4.0 minor defects** and the **shipment quantity**.

| Lot Size | Sample (pull) Size | Reject on AQL 2.5 | Reject on AQL 4.0 |
|----------|--------------------|-------------------|-------------------|
| 91-150 | 20 | 2 | 3 |
| 151-280 | 32 | 3 | 4 |

| | | | |
|---------------|-----|----|----|
| 281-500 | 50 | 4 | 6 |
| 501-1200 | 80 | 6 | 8 |
| 1201-3200 | 125 | 8 | 11 |
| 3201-10000 | 200 | 11 | 15 |
| 10001-35000 | 315 | 15 | 22 |
| 35001-150000 | 500 | 22 | 22 |
| 150001-500000 | 500 | 22 | 22 |
| 500001- over | 500 | 22 | 22 |

Acceptable Quality Level (AQL)

AQL is defined as the maximum percent defective that, for purpose of sampling inspection, can be considered satisfactory as a process average for defects being shipped to Casual Male Retail Group Inc. Defects are categorized according to Critical, Major and Minor Defect Classification Lists.

- Workmanship = AQL Critical 0.0 Major 2.5 Minor 4.0
- Measurement = AQL 2.5

Manday

Manday is defined as one inspector traveling and conducting the inspection in an 8 hour period.

Travel distances that are over 50 KM round trip will require additional manday to be added.

Inspections that include multiple PO's may require additional manday.

Following is a general guideline for the amount of product the inspector can inspect per manday.

- Apparel: 200pcs
- Suit: 125 pcs
- Headwear: 315 pcs

Defect Classification

Defects are grouped and coded according to the workmanship area, such as fabric, seams, finishing, color, packaging and labeling.

- **Critical Defect**
A defect that fails to meet mandatory regulations and/or affects the safety of the consumer
- **Major Defect**
A defect which will likely result in product failure, reduction of product usability, or renders the product not sellable.
- **Minor Defect**
A defect not likely to reduce the usability of the product, but likely to reduce its selling potential, or any minor discrepancy from the established acceptable limit

Defect Reporting

- Defect photo clarification: Inspection reports must include clear close up photo for defects. Inspection Reports must include explanation where the defect is located on the garment.
- Shade Lot variance – Inspectors must take photo to show multiple garments representing the shade lot to help view variance.

- Hand/feel description – When hand/feel does not match reference sample, inspector to add description for better understanding of the fabric condition: For example, Fabric feels stiffer than approved reference sample

8. Inspection Checklist

| <u>INSPECTION CHECK LIST</u> | | | | | |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------|-------------|-------------|----------|
| | Date: | P.O. # | | | |
| | Style #: | # of Cartons: | | | |
| NO. | DESCRIPTION OF ITEM TO VERIFY | | Due | Completed | Comments |
| 1 | Inspector to obtain the "Product Defect Classification Sheets and requirement process before beginning inspection | | | | |
| | | Check | Date | Date | |
| 2 | Verify the carton count is as per the packing list. | | | | |
| 3 | Verify the carton marks and No's printed on the carton match with the PO and the contents. | | | | |
| 4 | Verify the product in the carton is neatly packed | | | | |
| 5 | Verify the packed scale is as per the markings on the carton and the purchase order | | | | |
| 6 | Verify that the product is as per PO description and approved sample | | | | |
| 7 | Verify the following against the approved standard | | | | |
| | A. Verify Clasp releases easily without force | | | | |
| | B. Verify all components are working properly | | | | |
| | C. Verify quality against standard specs | | | | |
| | D. Verify that the country of origin is correct | | | | |

Measurement audit –Softlines apparel only

Measurements need to be taken and documented on a Measurement audit datasheet to confirm that the final specs will match the measurement stated in the Product Spec.

Actual measurements and the amount that it is different from the specified measurements have to be documented. Difference between requested and actual measurement is compared to the tolerances set by the Measurement Spec Sheet.

If there is no tolerance given, use one-half of the spec grade or previously established industry tolerances. This can be documented using a Measurement audit datasheet. Tally up all defects and record them on the datasheet.

Sample size:

3 garments measured per size across colors for = less than 5K

5 garments measured per size across colors for = 5k +

Full measurements must be taken on one complete size set, no matter the order size. All other inspected units (jump size sets) will require only Critical POMs to be measured

When a PO has more than 10 sizes, measure jump sizes (up to 10 total). However, in this instance. We would require only complete size set to be measured for Critical POM, no matter the order size

Critical & Secondary Points of Measure

• Critical Points of Measure – Lengths and Circumferences

- CF Length & CB Length (Side Seam Length if noted)
- Across Shoulder
- Neck Width, Front Neck Drop, Back Neck Drop
- Chest
- Waist
- Hip
- Sweep/Bottom Opening
- (For Pants) Inseam & Outseam, Front & Back Rise, Waist
- (For Narrow Pants or Denim) Leg Widths
- Minimum Extension on horizontal seams
- Armhole, sleeve length and sleeve opening

• Minor Points of Measure – Style Details

- Style Lines (darts, princess seams etc)
- Collar Specs
- Placements for Embellishments and/or Pockets

- Acceptable level: Out of tolerance points not more than 10% of measured points.

e.g. If measured 20 pieces, each piece has 10 measurement points.
 Total measured is 200 points. If found more than 20 points out of tolerance,
 the result will be failed.

- Additional condition: If more than 5 measured pieces (same size or in different sizes) are found out of tolerance on the same primary point (key point of the garment), the result will be failed too.
 e.g. If the chest width of more than 5 measured pieces found out of tolerance, the result is failed regardless of the percentage of the out of tolerance points found.

Based on vendor’s quality history inspection level maybe adjusted per Urban Outfitter’s request.

Increased level of inspection: Workmanship: General Inspection Level III

Reduced level of inspection: Workmanship: General Inspection Level I

| AQL INSPECTION LEVEL | | | | | | |
|----------------------|---------------------------|-----|-----|---------------------------|-----|-----|
| Lot or Batch Size | Special Inspection Levels | | | General Inspection Levels | | |
| | S-2 | S-3 | S-4 | I | II | III |
| 91 to 150 | 3 | 5 | 8 | 8 | 20 | 32 |
| 151 to 280 | 5 | 8 | 13 | 13 | 32 | 50 |
| 281 to 500 | 5 | 8 | 13 | 20 | 50 | 80 |
| 501 to 1,200 | 5 | 13 | 20 | 32 | 80 | 125 |
| 1,201 to 3,200 | 8 | 13 | 32 | 50 | 125 | 200 |
| 3,201 to 10,000 | 8 | 20 | 32 | 80 | 200 | 315 |
| 10,001 to 35,000 | 8 | 20 | 50 | 125 | 315 | 500 |
| 35,001 to 150,000 | 13 | 32 | 80 | 200 | 500 | 800 |

| AQL INSPECTION STANDARD | | | | | | | |
|-------------------------|-------------------------|--------------------------------------------------|----|-----|----|----|----|
| Lot or Batch Size | Sample Size at Level II | AQL (Single Sampling Plan for Normal Inspection) | | | | | |
| | | 1.5 | | 2.5 | | 4 | |
| | | Ac | Re | Ac | Re | Ac | Re |
| 91 to 150 | 20 | 0 | 1 | 1 | 2 | 2 | 3 |
| 151 to 280 | 32 | 1 | 2 | 2 | 3 | 3 | 4 |
| 281 to 500 | 50 | 2 | 3 | 3 | 4 | 5 | 6 |
| 501 to 1,200 | 80 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1,201 to 3,200 | 125 | 5 | 6 | 7 | 8 | 10 | 11 |
| 3,201 to 10,000 | 200 | 7 | 8 | 10 | 11 | 14 | 15 |
| 10,001 to 35,000 | 315 | 10 | 11 | 14 | 15 | 21 | 22 |
| 35,001 to 150,000 | 500 | 14 | 15 | 21 | 22 | | |