



2020/03/23

Notice of Decisions on C&A Purchase Orders and Contracts

Dear Supplier,

With the new coronavirus continuing to spread rapidly within the countries in which we are operating, an unprecedented crisis has hit us all. Governmental decisions across the world (including by almost all European governments) have imposed a mandatory shutdown of all retail locations. These government-enforced shutdowns make retail business for C&A legally and operationally impossible and are beyond C&A's control. They prevent the sale of merchandise to our customers for an undetermined/unforeseeable period of time, but are estimated to last for at least several weeks, if not months. In addition, many governments have ordered mandatory curfews. An increasing number of countries are considering or have already ordered the mandatory closure of any business, which is not absolutely vital for the country.

This extraordinary situation has materially changed, at least, if not destroyed the fundamental basis and preconditions of our orders placed with you. Consequently, parties can no longer be reasonably expected to uphold and/or perform the affected agreements (according to Section 313 of the German Civil Code, which is applicable to our relationship as German law was incorporated into the agreement(s) with you through your acknowledgement of and consent to our GDI). There is consensus that the COVID-19 situation qualifies as a "force majeure" event triggering the respective consequences for all parties involved.

These are extraordinary times, which call for extraordinary and unprecedented measures that will test the strength of our partnership, which we have held with you and on which we will rely.

In continuation of the discussions you have had with the Sourcing team on 03/17-18/2020 related to mitigating the risks relative to any and all outstanding orders and commitments, we would like to inform you of following decisions which are implemented with **immediate** effect:

1. --> All orders - no matter their current status/ development - with a last delivery date (LDD) in March, April, May or June 2020 are herewith, i.e. with immediate effect, cancelled;
2. --> No orders - independent of their current status (Cut or Uncut) - may continue to be produced, effective immediately;
3. --> All raw materials, e.g. fabrics, additional, trims etc. for any placed C&A orders that have not yet been shipped from your pre-suppliers by today, are to be put on hold and NO further commitments may be made with respect to raw materials for any C&A orders, unless and only if authorized so by C&A in writing;
4. --> We expect that you take immediately all and any necessary steps and measures to exclude or lower any risks of liability and/or damages claims by third parties towards you and/or C&A;
5. --> C&A will stop all order writing until further notice and will review the capacity allocation for SN2 based on, if possible, the anticipated economic impact and consumer confidence.

Our Sourcing team in collaboration with Buying will be in touch with you to review in detail, which O/S orders are impacted by cancellation and/or other above-mentioned measures and they will provide you with further guidance related future business exposure.

We reserve the right to amend/supplement the above measures if needed due to the fast-changing developments of the current crisis.

We hope that this extraordinary situation will normalize quickly and wish you and your family good health.

With kind regards

Martijn van der Zee    Bart De Meirsmen  
Chief Merchandise and Sourcing Officer    Director of Sourcing