



RINO MASTROTTO

GENERAL TERMS
AND CONDITIONS
OF SALE

RINO MASTROTTO GROUP S.p.A.
Via dell'Artigianato 100 - 36070 Trissino (Vicenza) - Italy
Tel. +39 0445 969696
www.rinomastrotto.com
e-mail: info@rinomastrotto.com

These general terms and conditions of sale (hereinafter referred to as the "GTCS") apply to all the sales of products (hereinafter referred to as the "Products") executed between RINO MASTROTTO GROUP S.p.A. (hereinafter referred to as the "Seller") and the purchaser (hereinafter referred to as the "Purchaser"). The GTCS, together with the specific conditions contained in the order confirmation (hereinafter referred to as the "Order Confirmation") and in the documents attached to it, represent the entire agreement between the Purchaser and the Seller and replace any other and/or different term and/or condition in conflict with the same proposed by the Purchaser verbally or in writing and not expressly accepted by the Seller.

1. EXECUTION OF THE AGREEMENT

1.1 The sale agreement between the Seller, or its representatives, and the Purchaser, is considered as executed only further to the sending of the Order Confirmation by the Seller to the Purchaser. Unless expressly indicated otherwise, the catalogues, estimates and technical documents are valid solely for disclosure purposes and the quotes of the Seller are not binding without the Order Confirmation. 1.2 No addition to or amendment of the GTCS made by the parties, specified either in the Purchaser's purchase order or in other documents, including the shipping documents, can be opposed to the Seller, unless included in the Order Confirmation and/or further to express acceptance. 1.3 The signing and return of the Order Confirmation or, alternatively, the Purchaser's failure to expressly refuse it within 3 (three) days of its receipt, shall be understood as acceptance by the Purchaser of the contractual terms and conditions envisaged therein. 1.4 The Purchaser's orders shall be understood to be firm for 10 (ten) days following their receipt by the Seller. 1.5 The orders shall be considered accepted by the Seller solely under the terms indicated in the Order Confirmation. Orders directly executed by the Seller shall also be deemed as confirmed. If an advance payment has been taken on the order by the Seller, this shall not be construed as acceptance of the order. 1.6 The Purchaser shall specify or indicate the quantity of Products in the order, as well as the code of the sample approved by the Purchaser; technical features of the Products others than those of the sample shall be agreed in written and approved in the Order Confirmation. 1.7 Unless established otherwise in the Order Confirmation, orders are understood to be correctly executed by Seller, with regard to the quantities requested, with a tolerance of $\pm 10\%$; in such a case price adjustment shall be applied.

2. DELIVERY OF THE PRODUCTS

2.1 The delivery and the related transfer of the risks shall be understood to always take place EXW at the Seller's plant in Trissino (VI) - Italy (Incoterms® 2010), unless otherwise agreed in the Order Confirmation. 2.2. The delivery term is fixed in six (6) weeks commencing on the date of the Order Confirmation. The delivery terms indicated in the Order Confirmation are not of the essence. If an advance payment is envisaged for the order, the delivery terms shall start to be applicable as from the date of receipt of the advance. 2.3 If the Purchaser delays the withdrawal of the Products, the Seller reserves the right to issue the relevant invoices in advance, with the related applicability of the payment terms. In any event, the Purchaser remains responsible the storage costs and any other liability or charge for storage and custody of the Products. 2.4 If the Purchaser refuses to accept the delivery and/or collect the Products or any single lots or delays collection by more than 30 (thirty) days, the Seller shall have the right - at its own unquestionable discretion - to terminate the contract by law or to request the execution of the contract in a specific form, without prejudice to any right to compensation for damages. 2.5 Any delays by the Seller in the delivery of the Products will entitle the Purchaser to terminate the Agreement only once 60 (sixty) days have elapsed from notice of perform. 2.6 If the Seller's delay is caused by strikes, unrest, trade union lock-outs, fortuitous events, fires, scarcity or lack of raw materials, delays by carriers and/or suppliers, public authority measures, revolts, acts of war, natural events, embargoes, unforeseeable events or any other cause beyond the reasonable control of Seller, the applicability of the delivery terms will remain suspended until the circumstance which has led to the suspension ceases. The Seller cannot be held responsible for any consequence deriving from these events, not even in case it is already in delay with respect to the agreed deadlines. 2.7 If the impediment lasts for more than 90 (ninety) days, either party shall have the right to terminate the agreement, without prejudice to the Seller's right to payment for the deliveries made.

3. PAYMENTS

3.1 The payment terms, unless otherwise stated in the Order Confirmation and/or in a written agreement between the Parties, are 30 (thirty) days from the invoicing date. 3.2 Payment terms shall be considered of the essence of the contract. Any payment extension granted by the Seller needs to be specified in the Order Confirmation and/or in another written agreement between the Parties. Payments shall be made in Euros or other different currency resulting from the Order Confirmation and in any event shall be understood to be made at the Seller's headquarters even if by means of draft or bills. 3.3 In case of delay in payment, the Purchaser shall pay to the Seller default interests computed at an annual rate equal to Euribor, plus 7 (seven) points as from the time the payment was due, without prejudice to any additional damages. 3.4 In case of delay in payment exceeding 15 (fifteen) days, or if the Seller has reason to doubt the solvency and financial credibility of the Purchaser and the latter does not intend to pay in advance or provide the Seller with the required guarantees, or if the Purchaser is subject to insolvency procedures of any kind, the Seller has the right to terminate the agreement or not to perform the part of the agreement not yet performed, with no need for the Purchaser's consent; furthermore, all the payments not yet due shall become immediately payable, with no need for placement in default. 3.5 It is understood between the parties that the Products remain the property of the Seller until full payment of the price has been made pursuant to Article 1523 of the Italian Civil Code (*retention of title*). 3.6 The Purchaser shall have neither the right to delay or suspend the payment of the Products in any case, included the case of defective Products - without prejudice for the right to obtain the return of the undue sum paid (*solve et repete*) - nor the right to set off any credit, unless so agreed in writing.

4. PRICE OF THE PRODUCTS

4.1 The price is understood as per Product delivered according to par. 2.1, unless specified otherwise in the Order Confirmation, standard packaging and loading onto the means of transport at the Seller's premises included. 4.2 Unless expressly specified otherwise in the Order Confirmation, the prices are net of all the charges relating to taxes and costs for transport, insurance, shipping, storage, handling, demurrage and similar, which are payable by the Purchaser. 4.3 The prices are also net of the cost of the pallets, which must be returned to the Seller at the Purchaser's costs within 3 (three) months of the arrival of the Products at their destination. In the event of failure to return the same within the aforementioned term, the Seller shall charge the related cost to the Purchaser, which will be obliged to make the related payment.

5. COMPLAINTS - WARRANTY

5.1 Any complaints relating to the state of the packaging, quantity, number, external features of the Products and/or non-conformity with the sample (apparent defects), shall be noticed to the Seller by means of registered letter with advice of receipt, under penalty of forfeiture, within 8 (eight) days of the date of receipt of the Products. Any complaints relating to defects which cannot be detected by means of a diligent check at the time of receipt (hidden defects) shall be noticed by means of registered letter with advice of receipt, under penalty of forfeiture, within 8 (eight) days of the date of discovery of the defect and in any event within 6 (six) months of delivery. 5.2 The complaints shall have to expressly indicate the type of detected fault and/or defect and the number of Products faulty and/or defective. The Purchaser shall send, under penalty of forfeiture, a sample of the Products which are faulty and/or defective within 8 (eight) days of the notice. 5.3 The Seller undertakes to remedy any fault/defect, lack of quality or compliance of the Products attributable to the Seller and occurred within 6 (six) months of the delivery of the Products, provided that the same has been promptly notified pursuant to par. 5.1. At its own discretion, the Seller may choose to reduce the price of the Products or replace the fault/defective Products. The Products replaced under warranty shall be covered to the same warranty as from the date of replacement. 5.4 The warranty does not include: (i) natural defects of the Products (e.g. healed scars, veins, unhealed/open scars, insect bites, suck out, mange, neck wrinkles, grub-tick, flank, stretch marks, sores, etc.) not exceeding the normal tolerance; (ii) all defects of the Products caused by unsuitable conditions of storage by the Seller or its assignees or caused by the manufacturing process to which the Products were subject by Purchaser or its assignees, and/or attributable to any third party; (iii) the non-compliance of the Products with specific details or technical features or their suitability for specific uses, except in case these characteristics were expressly agreed upon in the Order Confirmation or in documents expressly referred to in the Order Confirmation for this purpose or

resulting from the sample approved by the Purchaser. 5.5 It is understood that the afore-mentioned warranty (involving the obligation to reduce the price or replace the Products) is all-embracing and replaces the warranties or responsibilities envisaged by law and excludes any other liability of the Seller (both contractual and non) in any event deriving from the Products supplied (such as for example, loss of profits, loss of chances, withdrawal campaigns, etc.). 5.6 In any case, the Seller's responsibility shall not exceed the amount of the price paid by the Purchaser for the fault or defective Products. 5.7 For what is not provided by this Article, terms and conditions of International Contract No. 7 - Finished Leather, drawn up by the International Council of Hides, Skins & Leather Traders' Associations (ICHSLTA) and the International Council of Tanners (ICT), shall apply.

6. WRITTEN EXPERT OPINION

6.1 In case of disputes between the Parties concerning the quality compliance of the Products to the technical specification declared by the Seller and/or to the sample approved by the Purchaser, provided that the amount in dispute exceeds EUR 10,000.00 (or the equivalent amount in the payment currency set out in the Order Confirmation at the exchange rate applied on the due date), the ascertainment of the existence of the notified defects and/or quality non-compliance and of the causes that gave rise to them, as well as of their compliance to normal tolerances, will be exclusively referred to the opinion of an expert appointed by the Director of: (i) the Research Institute of Leather and Plastic Sheeting (FILK), with registered offices in Freiberg (Germany) - for the automotive industry; (ii) BLC Leather Technology Center Ltd, with registered offices in Northampton (UK) - for the footwear industry; (iii) CTC Groupe with registered offices in Lyon (France) - for leather goods; on request of the most diligent party. 6.2 In case of disputes between the parties concerning the conformity of the area of the Products to the Seller's statement (printed on each hide) and the relevant excess of normal tolerances, the measurement of the area of the Products and the ascertainment of the existence of the notified non-conformity will be exclusively referred to the opinion of an expert appointed by the Director of BLC Leather Technology Center Ltd, with registered offices in Northampton (UK), as per request of the most diligent party, which shall verify the Products conformity, pursuant to the procedure provided by the International Contract No. 7 - Finished Leather. 6.3 In both cases, the expert shall decide within 60 (sixty) days and the decision shall be binding for the parties, also in any legal proceedings which may be started. The relevant costs shall be borne by the defaulting party.

7. TERMINATION

Without prejudice to the provisions set forth in other paragraphs of this GTCS, the Seller shall have the right to terminate the sale agreement for cause: (a) if Purchaser does not fulfil the obligations provided in Articles 2.3, 2.4 (*Delivery of the Products*), 3.1, 3.2 (*Payments*); (b) in case of any material breach of the terms of this GTCS; a violation of the contractual obligations other than those listed in point a) may be considered a material breach if the Seller requests in writing that the violated contractual obligation be fulfilled and the Purchaser does not comply with such request within 15 (fifteen) days of receipt of the same.

8. JURISDICTION AND APPLICABLE LAW

8.1 Without prejudice to the provisions set forth at par. 6 above, all disputes shall be exclusively settled by the Court of Vicenza (Italy). By way of departure from the above, the Seller shall nevertheless have the right to apply to the Court of the Purchaser, at its own discretion. 8.2 These GTCS, as well as the sales governed by them, are subject to Italian law, with the exception of the 1980 Vienna Convention on contracts for the international sale of goods (CISG).

9. PERSONAL DATA PROTECTION

9.1 Pursuant to Italian Legislative Decree nr. 196/2003, personal data collected directly by the Seller and/or through third parties shall be processed in printed, computing or electronic form for the performance of contractual and law obligations, as well as for the effective management of business relationships. 9.2 The non-submission of data, where non -compulsory, will be evaluated from time to

time by the Seller and the resulting decisions will take into account the importance of the required data in respect of the business relationship management. 9.3 Data may be disclosed, strictly in accordance with the above-mentioned purposes, and consequently processed, only in relation to the said purposes, by other subjects, and in particular by: (i) agents' organization; (ii) factoring companies; (iii) banks; (iv) credit recovery companies; (v) credit insurance companies; (vi) business information companies; (vii) professional and consultants. In relation to the same purposes, data may be processed by Seller's financial and commercial managers. 9.4 Purchaser may exercise all the rights set forth in Article 7 of Italian Legislative Decree nr. 196 /2003 (including the rights of data access, amendment, updating, object to data processing and cancellation).

10. DECLARATIONS OF THE SELLER

10.1 The Seller declares that the delivered goods comply with REACH 1907/2006 requirements and that they have not been manufactured with parts of animal species protected by the Washington Convention (EC Reg. nr. 228/1997 and its further modifications). 10.2 The Seller also declares that the delivered goods underwent to the last substantial working economically justified in Italy by a factory equipped for that purpose. 10.3 The Seller also declares that the delivered goods comply with the laws in force concerning the content of pentaclorophenol, aromatics amines by azoic colorants, hexavalent chrome, formaldehyde, cadmium and its compounds, nickel and its compounds, chlorine-organic compounds, organic solvent, fluorinated gases, perfluorooctane sulphonate, dimethyl fumarate and lead.

11. FINAL PROVISIONS

11.1 If one of the clauses of these GTCS is null or ineffective, the nullity or ineffectiveness shall not extend to the remaining contractual provisions. 11.2 Any notice between the parties shall only be valid if made in writing. 11.3 In case where the Seller neglects to exercise a right or a faculty recognized by these GTCS, this cannot be interpreted as a general waiver of this right or faculty, nor prevent the Seller from subsequently demanding the prompt and exact application of all clauses contained herein. 11.4 These GTCS are written in double text Italian - English. In case of any discrepancy between the Italian text and the English text, the text in Italian shall prevail.

the Purchaser

Having read par. 1.3 (*Execution of the Agreement*), 2.4, 2.5, 2.6, 2.7 (*Delivery of the Products*), 3.4, 3.5 (*Payments*) 5.1, 5.2, 5.3, 5.4, 5.5 (*Complaints-Warranty*) 6.1, 6.2, 6.3 (*Written Expert Opinion*), 7 (*Termination*) 8.1 (*Jurisdiction*) of these General Terms and Conditions of Sale, the Purchaser hereby declares that it accepts them unconditionally and without any reservation, where necessary also in accordance with Articles 1341 and 1342 of the Italian Civil Code.

the Purchaser