

TERMS AND CONDITIONS

General acceptance

Approval of any order placed with Prodital Italia s.r.l. (hereinafter referred to as “we”, “Prodital Leather”, “Prodital” or “the seller”) is based on the acceptance of each clause of these terms and conditions (or “these terms”, or “this agreement”) by the client (or “purchaser” or “the buyer”: the term is inclusive of their agents and representatives). This agreement supersedes any other occurring between the parties unless otherwise stated in a written document signed by an officer of Prodital explicitly referring to these terms.

Terms and payments

Upfront payments, inclusive of shipment and additional charges, are required to initiate production. If the seller allows payments to be -even partially- deferred, then the given date must be abided by, or the purchaser will be breaching.

The minimum order for fabrics is a full hide, save for exceptions due to technical requirements.

Taxes and recovery of debts

All taxes and excises of any nature levied by governmental or local authority, either directly or indirectly, on the sale or transportation of any goods covered by this agreement shall be paid and borne by the buyer.

The purchaser will be responsible for all costs, charges and expenses Prodital will incur in while recovering any debt owed by the former.

Transportation

Prodital will arrange shipping, unless the buyer specifies otherwise. Whenever the buyer takes care of the delivery, title to relevant goods and risk of loss or damage shall be the buyer's. Any claim against the seller or the carrier for shortage or damage prior to such delivery must be made in writing within forty-eight (48) hours after receipt of shipment and accompanied by original transportation bill signed by the carrier noting that the carrier received the goods from Prodital in the conditions claimed.

Any shipment returned to Prodital or additional charges incurred because of the buyer's unexcused delay or failure to accept delivery will require the buyer to pay all additional costs incurred by Prodital, including storage fees (at a daily rate equal to 3% of the value of the merchandise).

Warranty and disclaimer

Except as specified herein, Prodital warrants that any goods sold hereunder will be free from defects in workmanship and materials for one (1) year. This warranty does not apply to damage or breakage resulting from misuse, accidents, dramatic temperature variation, abuse, neglect, mishandling or wear and tear resulting from normal use. Moreover, the warranty does not cover: (I) natural defects of the product not exceeding the normal tolerance; (II) defects caused by unsuitable condition of storage on the part of the

seller or their assignees; (III) the non-compliance of products with specific details, unless such features were expressly agreed upon, as demonstrable from the correspondence.

Any complaints relating to the non-conformity of the merchandise with the sample provided or visible defects with the product at the time of the delivery must be reported to the seller in written form within eight (8) days from the date of receipt of goods, under penalty of default. Any complaints relating to defects which cannot be detected by means of a diligent check at the time of receipt (i.e. hidden defects) shall be communicated via registered letter, under penalty of forfeiture, within eight (8) days of the date of the discovery and within six (6) months of delivery. Moreover, the buyer will send Prodital a sample of the defective product within eight (8) days of the aforementioned notice, so that Prodital may subsequently replace the defective goods. In any case, Prodital's total liability to buyer shall not exceed the price of the product or part on which such liability is based.

Placement of orders and exclusions

Samples are only indicative of the features of a product, and therefore have no binding value on the final product. Variations in color and veining are inherent to leather, and they are considered to be part of its natural beauty; likewise, many finishes are applied by hand and may vary in color, tone and aspect. While Prodital will make every effort to achieve a reasonable consistency, no liability shall arise in respect of any deviation falling under the normal tolerance. The same will apply to any product composed of leather, where an acceptable margin of stonization (i.e. the inevitable difference in texture and shading between two parts of the same hide or between two items of the same lot) is to be expected and non-chargeable.

All quoted completion and delivery dates are estimates. Prodital may not be liable for delays in completion or default in delivery for any reason of force majeure, fortuitous event, third party responsibility or any cause beyond Prodital's reasonable control. In any of these cases, Prodital will have additional time to perform as may reasonably be necessary under the circumstances.

Cancellations and returns

The buyer may ask to cancel or return an order within eight (8) days of its placement; in Prodital's unquestionable judgement, changes in order, returns or cancellations may be performed (within the aforementioned deadline), charged with an additional fee of up to 50% of the net selling price plus the transportation costs. Under no circumstance may a custom order be cancelled or returned; likewise, no leather that has been cut, treated or processed by the buyer may be returned.

In case of disputes between the parties whose value exceeds 10.000€ concerning the quality compliance of the products with the technical specifications declared by the seller or with the sample approved by the purchaser, the parties will defer to the opinion of an expert. The aforementioned expert will be appointed exclusively by the Director of CTC Groupe with registered offices in Lyon (France) at the request of one party.

Property Rights

Insofar as they do not belong to third parties, all intellectual property rights relating to Prodital's products and their designs, marketing and digital media etc. belong to Prodital, and therefore may not be infringed. If an order involves a specification based on the customer's designs, the purchaser guarantees that they do

not infringe any third-party rights; conversely, they will indemnify Prodital against all third-party claims incurred while performing an order involving a design provided by them.

Jurisdiction and applicable law

All disputes between the parties shall be exclusively settled by the Court of Vicenza (Italy). These terms and conditions, as well as sales subject to them, are governed by Italian law.