

GENERAL CONDITIONS OF SALE

1. PREMISE

The selling of fabric made by Colombo Industrie Tessili S.r.l., based in Fino Mornasco (CO), Via Guanzasca no. 6, is governed by these General Conditions of Sale.

The order is accepted only after Colombo Industrie Tessili S.r.l.'s issuance of an order confirmation including delivery date, within 10 working days from receipt of the proposal. 10 days after communicating the delivery date, Colombo Industrie Tessili S.r.l. will consider the contractual terms as having been accepted by the customer.

The customer's possible general terms of purchase will not apply unless expressly accepted in writing by Colombo Industrie Tessili S.r.l.

In case of suspension of the credit granted by Colombo Industrie Tessili S.r.l.'s insurance company for the credit arising from the contract, the customer will have the right to propose a variation to Colombo Industrie Tessili S.r.l.'s terms of payment. If the proposal will not be accepted within 10 days, the contract will be automatically solved

2. SUPPLY

2.1. The supply of production goods refers to sampling ordered earlier by the customer. On this sampling the customer must perform all the technical tests needed to determine the suitability of the article to the use for which it is intended. The customer must communicate to Colombo Industrie Tessili S.r.l. any specific problem(s) and/or requirement(s) related to the samples, before placing the production order.

Trials, lab dips and all other samples received, since could not be produced with definitive manufacturing cycles, do not represent a "reference sample" for the production goods.

In case of production orders, placed by the customer without previously receiving any sampling, the customer must perform all the technical tests necessary to determine the suitability of the article before proceeding with the manufacturing of the goods.

2.2. Upon delivery samples pieces), Colombo Industrie Tessili S.r.l. will provide a product datasheet containing the main technical details regarding the article sold

2.3. Upon customer's specific request Colombo Industrie Tessili S.r.l. will provide additional technical data not contained in the technical datasheet indicated in section 2.2.

2.4. The length of the pieces can vary from 35 to 50 meters or multiples thereof, unless otherwise agreed.

The tolerance allowed on the quantity delivered with respect to the quantity ordered for each order, for each item, or variant of color or design is +/- 5% for lengths up to 1000 m., whereas it is +/-3% for lengths greater than 1000 m. (with a minimum of 50 m.).

A tolerance of +/-10% is allowed on the length of a single piece.

2.5 in case the customer orders greige products, the customer must communicate the color assortment to Colombo Industrie Tessili S.r.l. by within:

- July 31st for goods ordered for winter season;
- January 31st for goods ordered for summer season;.

If case Colombo Industrie Tessili S.r.l. will not receive any color assortment within the above-mentioned season dates, Colombo Industrie Tessili S.r.l. will issue the invoice of the goods with the price reduced of the dyeing costs.

Even after the above-mentioned season dates, the greige goods will remain available to the customer at Colombo Industrie Tessili S.r.l.'s warehouses. After receiving the color assortment Colombo Industrie Tessili S.r.l. will invoice only the dyeing cost.

2.6. If the customer requests any cancellations or variations of the order, this will be evaluated by Colombo Industrie Tessili S.r.l., based upon the progress of the order. Colombo Industrie Tessili S.r.l. will have the right to charge any costs occurred at the moment of order cancellation

3. PRICE

The customer must pay the price indicated in the order confirmation under the terms and conditions indicated therein.

In the case of installment payments, the delay in payment of two or more installments will give Colombo Industrie Tessili S.r.l. the right to require immediate payment of the entire remaining debt

4. DELIVERY

4.1. The place of delivery is Colombo Industrie Tessili S.r.l.'s production plant.

4.2. The delivery time is indicated in the order confirmation, with a grace period of 15 calendar days, beyond which the parties agree to a transfer and other possible actions.

4.3 If the customer will have to communicate at a date subsequent to the order any manufacturing provisions technical data, or other instructions, the delivery time will be extended by a period equal to that of the delay in communication. In this case, Colombo Industrie Tessili S.r.l. will inform the customer about new delivery date

4.4. In the case of events beyond the control of Colombo Industrie Tessili S.r.l. and the Customer, such as strikes, lockouts, or other labor difficulty; fires; floods; lack of power; lack or shortage of raw materials; accidents or breakdowns at Colombo Industrie Tessili S.r.l.'s production facilities; or other impediments to the wishes of the parties that would make delivery temporarily impossible or overly burdensome, the delivery time will be extended by a period equal to that of the duration of the impediment..

Upon learning of this impediment, Colombo Industrie Tessili S.r.l. will communicate its existence to the customer within a reasonable time. In no case will the customer be entitled to cancellations, refunds, or claims for damages.

5. COMPLAINTS

The customer must check all the goods received within 10 days from consignment and, however, before processing. The customer will lose every right to complain if defects are not communicated in writing to Colombo Industrie Tessili S.r.l. before processing. The complained goods must remain available to Colombo Industrie Tessili S.r.l. for 10 days in order to carry out any necessary examinations. Returns due to defects must be authorized by Colombo Industrie Tessili S.r.l. in writing within 10 calendar days of being reported. If Colombo Industrie Tessili S.r.l. does not make the aforementioned inspection within the times indicated the goods may be returned by the customer to Colombo Industrie Tessili S.r.l..

When the returned items can be reworked, they must be returned by the customer within 10 calendar days from the goods' date of arrival at Colombo Industrie Tessili S.r.l. unless otherwise agreed. In case that the pieces cannot be reworked, a new delivery date will be agreed upon without any penalties for Colombo Industrie Tessili S.r.l.. The submission of any kind of complaint do not authorize the customer to suspend payments in progress.

6. RETENTION OF TITLE

6.1 Colombo Industrie Tessili S.r.l. remains the owner of the merchandise sold until the customer has paid the price in full. The customer assumes the risks associated with the sale, starting from the time the goods are delivered.

6.2 Colombo Industrie Tessili S.r.l.'s retention of title remains valid even if the customer converts the goods sold to other movable property.

If the goods are transformed through the joining or commingling with goods not belonging to Colombo Industrie Tessili S.r.l., Colombo Industrie Tessili S.r.l. becomes co-owner of the property resulting from the joining or commingling in an amount equal to the portion of credit claimed against the customer for goods sold and converted, as shown in the invoice.

6.3 If the customer will be insolvent or reduces the guarantees given or promised, for example, has repeatedly delayed payments or is subject to any insolvency procedure, Colombo Industrie Tessili S.r.l. has the right to prohibit the customer from any kind of conversion of the goods still in stock, the customer will make full payment on what Colombo Industrie Tessili S.r.l. is owed for the goods purchased.

7. OBLIGATORY RETURN OF GOODS

The customer has the right to resell the goods purchased from Colombo Industrie Tessili S.r.l.. However, if the customer becomes insolvent or reduces the given or promised warranties and, by way of example, has repeatedly delayed payments or is subject to any insolvency procedure, Colombo Industrie Tessili S.r.l. may request the customer to return the goods not yet sold, subject to the rights mentioned in Article 3. In such case, if the customer has partially paid the amount due for the purchased goods, the said amount will be retained by Colombo Industrie Tessili S.r.l. as compensation and shall not be returned to the customer.

8. CUSTOMER CHARGES

8.1 The customer's request to cancel the order will be evaluated by Colombo Industrie Tessili S.r.l. depending on the progress of the order.

8.2 If requested by the customer, additional tests or other different performances not included in the technical datasheet, will be provided with a charge for the costs incurred.

9. CANCELLATION OF GUARANTEED CREDITS

As a guarantee of its solvency, the customer grants to Colombo Industrie Tessili S.r.l. the credits resulting from the sale to third parties of the purchased goods, even if processed in any way. To this end, the customer is obliged to deliver to Colombo Industrie Tessili S.r.l., if so requested, a detailed statement of the debt owed to Colombo Industrie Tessili S.r.l., complete with the names and addresses of customers, the amount of the individual receivables, and the documents representing the credits themselves.

The customer, nonetheless, retains the right to collect the assigned credits. However, owing to a substantial deterioration in the customer's financial condition or repeated delays in payments by the customer, Colombo Industrie Tessili S.r.l. may collect the customer's claims from the third party.

10. DISPUTES AND COPYRIGHT

10.1 The parties will submit any dispute arising out of the present contract to the Mediation Office of the Como Chamber of Arbitration for settlement. In the event that a settlement is not reached, the dispute will be resolved by a single arbitrator appointed by mutual agreement between the parties or, failing agreement, by the Como Chamber of Arbitration.

10.2 In no case may the customer use subjects/images/designs developed by Colombo Industrie Tessili S.r.l. except on fabrics purchased from Colombo Industrie Tessili S.r.l..

In the event the customer provides Colombo Industrie Tessili S.r.l. with designs for the manufacture of their fabrics, the customer will be liable for any breaches of third-party rights caused by the use and delivery of subjects, images, and/or designs protected by the industrial and/or intellectual property rights of the third parties. Accordingly, in such cases, Colombo Industrie Tessili S.r.l. will be held harmless from any liability and any charges arising from such violations.

11. APPLICABLE LAW

The law applicable to the Contract between the customer and Colombo Industrie Tessili S.r.l. is Italian law.

SIGNATURE

Pursuant to articles 1341 and 1342 of the Italian Civil Code, the customer declares to be familiar with and specifically endorses the following clauses:

- Clause 3 (PRICE)
- Clause 4 [DELIVERY];
- Clause 6.2, 6.3 [RETENTION OF TITLE];
- Clause 7 [OBLIGATORY RETURN OF GOODS];
- Clause 8 [CUSTOMER CHARGES]
- Clause 9 [CANCELLATION OF GUARANTEED CREDITS];
- Clause 10 [DISPUTES AND COPYRIGHT].

SIGNATURE