

gruppo dondi spa

dondi jersey ®

punto tessile ®

GENERAL TERMS AND CONDITIONS OF SALE

Art. 1 - Sphere of Application

The deliveries of fabrics and yarns of Gruppo Dondi S.p.A. (hereinafter Gruppo Dondi) to the Purchaser are disciplined by these general terms and conditions of sale. Any possible exception from the same shall only be valid if agreed in writing.

These general terms and conditions, which can be found on the website at www.gruppodondi.com and also attached to the order forms, the offer letters, the order confirmations and the invoices will remain in force until they are possibly replaced or amended by new general terms and conditions drawn up by Gruppo Dondi in written form, and prevail with respect to any general terms and conditions of purchase drawn up by the Purchaser, unless the latter are expressly accepted in writing by Gruppo Dondi.

Art. 2 - Finalisation of the agreement

The Order forwarded by the Purchaser to Gruppo Dondi represents an agreement proposal; the agreement can be considered to be finalised only via its written acceptance by means of the sending of the Order Confirmation by Gruppo Dondi, unless envisaged otherwise below.

Art. 3 - Handling of the Orders

The order must be forwarded via ordinary e-mail or certified e-mail on a mandatory basis.

The Orders transmitted using means different to those envisaged by these terms and conditions will not be accepted.

Further to the receipt of the Order, Gruppo Dondi, within 10 business days, will send the Order Confirmation via ordinary mail, confirmation which will contain:

- the order confirmation number;
- the date of the order confirmation;
- the details of the Purchaser;
- the payment conditions;
- the shipment methods;
- the article code and the description of the ordered article;
- the technical information on the article;
- the price established (to be understood to be net of VAT);
- the quantity ordered;
- any surcharge applied (to be understood to be net of VAT);
- the delivery dates;
- the general terms and conditions of sale.

It is hereby specified that in the event of articles customised upon the specific request of the Purchaser, which will be identified by the xx/x9xxx codes, the Order Confirmation may lack Price and Surcharge. The determination of the prices of the customised articles will be carried out by Gruppo Dondi on conclusion of the industrial prototype creation. In the event written confirmation is not made by Gruppo Dondi within 15 days of the date of the order, this will be understood to be refused, without prejudice to differing written agreement between the parties.

If Gruppo Dondi makes changes to the Order after sending the Purchaser the related Order Confirmation, the same will be communicated in writing, via e-mail or by means of resending said Confirmation with the due changes. Under such circumstances, the Purchaser is permitted 5 business days within which it can communicate any observations with regard to the changes made. Once this deadline has elapsed without the Purchaser having communicated any observation or the waiver of the Order, the changes will be considered to be tacitly accepted.

Art. 4 - Revocation of the Order - Compensation due to Withdrawal

Once the agreement has been finalised according to the formalities envisaged above, the Purchaser will have the faculty to revoke the Order but in this case will be obliged to pay Gruppo Dondi compensation due to withdrawal, according to the stage of processing in which the revocation of the Order is communicated. This compensation is quantified as follows:

- in the event of revocation of the order for Products still in progress, the compensation will be the following:

1. For Products at Raw Material stage, it will be equal to 50% of the price agreed for the Products and fixed at the time of the order;
2. For Products at Undyed Fabric stage, it will be equal to 85% of the price agreed for the Products and fixed at the time of the order;

- in the event of revocation of the order when Products are finished, the compensation will be equal to the price agreed.

Gruppo Dondi undertakes to keep the goods (semi-finished and finished products) available care of its warehouses, subject to the revocation of the order, for a maximum period of six (6) months as from the date of issue of the debit note for the compensation envisaged above, unless agreed otherwise in writing between the parties.

In the cases in which the parties define a period for the storage of the goods longer than six (6) months, Gruppo Dondi may apply a surcharge for the storage of the goods for the entire duration of the period exceeding the standard conservation period calculated as follows:

"0.35€/m x net M stock x excess number of months"

If the Purchaser reissues the same order for the Products kept or requests the finalisation of the revoked order by the deadline envisaged for the conservation period indicated above, Gruppo Dondi will take steps by means of the issue of a credit note to reverse the compensation previously charged and will proceed with the invoicing on conclusion of the order and subsequent sale of the finished product.

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Art. 5 – Delivery

Unless agreed otherwise in writing, the supply will be delivered according to the following conditions: EX WORKS Incoterms 2010 of the Paris ICC, care of the headquarters of Gruppo Dondi in Fossoli di Carpi (MO), Italy.

The delivery terms are understood to be observed with the communication to the Purchaser that the goods have been made available.

The delivery terms possibly specified in the order confirmation, or subsequently amended, are understood to be observed with a tolerance of 15 business days. In the event of delay greater than 15 business days, the Purchaser and Gruppo Dondi will get in contact to agree an amicable solution in good faith.

In the event of partial or total failure to deliver by the established deadlines, the parties will get in contact to agree an amicable solution in good faith.

If suitable and reasonable notice has been given to the Purchaser of any delivery delays, the Purchaser declares from this point on that it waives any request for indemnification or compensation.

Without prejudice to the above, any delays attributable to force majeure events or unforeseeable circumstances cannot justify claims, cancellation of the order, termination of the agreement or compensation of any damages.

Art. 6 – Failure to finalise the order due to action attributable to the Purchaser

In the event of failure to finalise the orders confirmed by the Purchaser which is not due to Revocation by the Purchaser but is the consequence of action attributable to the same, Gruppo Dondi shall have the right to compensation determined as follows:

- for Failure to Arrange Colours for Piece Dyed Fabrics, the compensation will be equal to 85% of the agreed price;
- for Failure to Collect the Goods or Finished Fabric, the compensation will be 100% of the agreed price.

Art. 7 – Handling of goods further to failure to arrange colours or failure to collect

In the event the Purchaser:

- does not arrange the colours of the undyed fabric within sixty (60) days of the confirmed colour arrangement date;
- does not collect the finished products forming the subject matter of the order within sixty (60) days of the date of communication that the goods have been made available;
- or in any event does not provide indications or material, envisaged as its responsibility, necessary for the completion of the processing of the Product;

Gruppo Dondi may legitimately suspend the processing and the delivery and shall have the right to compensation equal to that indicated in Article 6.

Gruppo Dondi undertakes to maintain the semi-finished and/or uncollected goods, even if completed, care of its warehouses, for a maximum period of six (6) months as from the date of issue of the debit note for the compensation, unless agreed otherwise in writing between the parties.

In the cases in which the parties define a period for the storage of the goods longer than six (6) months, Gruppo Dondi shall have the right to apply a surcharge for the storage of the goods for the entire duration of the period exceeding the standard conservation period calculated as follows:

"0.35€/m x net M stock x excess number of months"

If the Purchaser arranges the colours or collects the goods beyond the 60 (sixty) days established above, but by the end of the period for the conservation of the goods agreed, Gruppo Dondi shall take steps to issue a credit note reversing the compensation charged as envisaged above, but this will take place only further to the invoicing and consequent payment of the finished Product at the established sales price.

Art. 8 - Retention of Title

The ownership of the goods being supplied will be understood as transferred by Gruppo Dondi to the Purchaser at the time of full payment of the agreed price - including the accrued interest and any other sums possibly due - for the goods forming the subject matter of each order.

Art. 9 - Tolerances

A tolerance is permitted of up to ±5% of the overall quantity shipped with respect to that confirmed for the orders involving a quantity of less than 1,000 m, unless agreed otherwise in writing between the parties.

For orders between 1,001 mt and 4,999 mt, a tolerance is permitted of up to ±4% of the overall quantity shipped with respect to that confirmed, unless agreed otherwise in writing between the parties.

For orders greater than 5,000 m, a tolerance is permitted of up to ±3% of the overall quantity shipped with respect to that confirmed, unless agreed otherwise in writing between the parties.

The tolerance in terms of defects is fixed at 4% without prejudice to the case in which the technical fact sheet of the articles provided by Gruppo Dondi establishes different values.

Art. 10 - Multiple Deliveries

In the event that an order is carried out by means of multiple deliveries, each one will have to be considered to be separate for the purposes of the issue and payment of the related invoices, which cannot be delayed by the Purchaser pending subsequent deliveries.

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Art. 11 - Prices and Payments

The prices indicated are understood to be net of VAT (if applicable) and are valid for just the reference order confirmation or for the period of validity defined therein.

The payment terms indicated in the order confirmation and on the invoice must be observed without fail.

The payments will have to be made according to the payment methods indicated on the invoice and/or in the order confirmation. In the event of conflict between the content of the two documents, those indicated in the order confirmation shall prevail, subject to subsequent differing written agreements between the parties.

Art. 12 - Default interest

Without prejudice to the matters envisaged by Article 12, as well as the compensation right of any additional damage, in the event of late payment of the invoices default interest is due as from the date of expiry until that of effective payment to the extent of the rate established by Article 5, sections 1 and 2 of Italian Legislative Decree No. 231 dated 9 October 2002, in the version amended by Italian Legislative Decree No. 192 dated 9 November 2012, as in force from time to time.

Art. 13 - Checking of the goods, complaints and returns

The Purchaser has the obligation to check the goods straight away after their arrival, even when, by way of exception to Article 5, they are delivered care of a third party designated by said Purchaser.

Any warranty on the goods will have to be considered as lost in the event that, after delivery, the goods undergo any processing.

Without prejudice to the matters laid down in Article 9, any complaint due to faults and/or non-compliance of the sample goods (with the order and/or the order confirmation and/or the technical fact sheet of the article), will have to be proposed by the Purchaser, under penalty of forfeiture, within 8 days of receipt of the goods, without prejudice to the matters envisaged by Article 1495 of the Italian Civil Code.

Returns of goods ordered due to the error of the Purchaser will not be accepted.

Gruppo Dondi will not accept the return of goods without prior written authorisation or if this does not take place according to the agreed formalities.

In the event returns must be made, the Purchaser will request Gruppo Dondi in writing for confirmation of the address before making the return. The transport for the returns, without prejudice to the case of the existence of faults and/or non-compliance confirmed by Gruppo Dondi, are at the expense and risk of the Purchaser.

The returns of goods authorised by Gruppo Dondi will have to be accompanied without fail by a correctly compiled delivery note, which will have to contain the following data in detail:

- a) our Name and Article Code (indicated both in our Order Confirmations and in the Delivery Notes),
- b) exact length in metres and kg returned for each piece of fabric,
- c) our Piece Number (indicated in our Delivery Notes),
- d) in the event it is not possible to trace back to the Piece Number, indicate our reference note number.

Our piece numbers, alternatively may be placed on the returned pieces.

All the rolls of fabric returned will have to be placed in suitable packaging for the purpose of ensuring the protection and integrity of the same.

Art. 14 - "Group Dondi" name and trademarks

The Purchaser duly notes and acknowledges that the name *Gruppo Dondi* and its trademarks represent elements of excellence with regard to *made in Italy* textiles and therefore undertakes to co-operate for the protection of the image, the prestige of the name and said trademarks.

The pattern, types of fabric and design of the fabric supplied are the exclusive property of Gruppo Dondi and therefore the Purchaser cannot reproduce or arrange for the reproduction of the same by third parties, without the written consent of Gruppo Dondi.

The Purchaser is not authorised to use or reproduce the name or the trademarks owned by Gruppo Dondi for commercial and advertising purposes or for any other purpose, without the prior written consent of Gruppo Dondi.

Any communication which mentions Gruppo Dondi and its products must remain the exclusive prerogative of Gruppo Dondi, without prejudice to any specific prior agreement. The Purchaser shall have to refrain, therefore, from creating communications and/or material and/or fittings, of any kind and with any means, in which the name, the trademarks and the logos of Gruppo Dondi are used.

The *Dondi Jersey* labels possibly provided from time to time together with the goods realised by Gruppo Dondi must be used solely and exclusively together with these goods. Therefore, the Purchaser shall have to refrain from using the *Dondi Jersey* labels in productions other than those previously agreed.

Any materials and/or fittings, of any kind and with any means, in which the name, the trademarks and the logos owned by Gruppo Dondi are used, possibly provided from time to time together with the goods realised by Gruppo Dondi, must be used solely and exclusively together with these goods and in relation to the retail sales activities (off-line and on-line) of the Purchaser.

The commitments as per this clause are undertaken by the Purchaser also for any of its assignees (e.g. customers/retailers) as per Article 1381 of the Italian Civil Code.

The Purchaser will answer for any violation of the provisions contained in this clause which may cause damage to the image and rights of Gruppo Dondi.

Art. 15 - Non-exclusivity

The Purchaser does not have any exclusive right, unless this is expressly agreed in writing between the parties.

The exclusive agreement can be of two types: "absolute" exclusive or "limited" exclusive.

In the event that the article subject to the exclusive right contains distinguishing elements of the Purchaser (e.g. trademarks, logos, etc.), the articles will be granted under absolute exclusive right.

In the event that the article requested under exclusive right is a collection article proposed by Gruppo Dondi or is created starting off from standard graphic bases not protected by copyright provided by the Purchaser and not bearing Distinguishing Signs or Brands of the latter, the article will be granted under limited exclusive right.

The exclusive agreement entered into between the parties will contain the following elements: names of the contracting parties, article subject to exclusive right, duration of the exclusive period and geographic extension and/or market of the exclusive right. Without prejudice to the above, the absolute exclusive agreement for articles bearing Distinguishing Signs or Brands of the Purchaser is not subject to limits in terms of duration or market.

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The supply of goods by Gruppo Dondi for an article under limited exclusive right in a determinate season does not lead to the extension to other supplies of other articles produced in the same season or in subsequent seasons. Furthermore, the granting of the limited exclusive right to the Purchaser does not lead to the onset of any right to receive notification or to oppose/veto in favour of the same in the event Gruppo Dondi should decide to sell the same article to other Purchasers once the terms contained in the exclusive agreement have expired, or on markets not included in the agreement.

Art. 16 - Applicable law and Jurisdiction

These general terms and conditions, as well as each order, order confirmation or agreement disciplined by the same, are disciplined by Italian law.

The Jurisdiction is assigned exclusively to the Italian Courts.

For any disputes regarding the agreement, the competent Law Court of jurisdiction is that of Modena (Italy).

Art. 17 – Italian Legislative Decree No. 231 dated 8 June 2001

The Purchaser undertakes, insofar as it is applicable for the purposes of these general terms and conditions of sale, to refrain from adopting conduct which may constitute the criminal offences as per Italian Legislative Decree No. 231 dated 8 June 2001 - by way of example but not limited to: offences of corruption, IT offences, environmental offences, offences associated with the infringement of copyrights, enslavement, manslaughter committed with violation of the norms regarding health and safety in the workplace.

The failure to observe the obligations indicated herein represents serious contractual breach and provides Gruppo Dondi with the faculty to suspend or cancel all the orders underway with immediate effect and subject to mere written communication, deeming the sale to be cancelled due to the fault of the Purchaser.

The Purchaser

In compliance with and for the purposes of Article 1341 of the Italian Civil Code, the Purchaser declares that they have examined the general terms and conditions of sale published on the website www.gruppodondi.com and that they have read and specifically accepted the following clauses:

Art. 3); Art. 4); Art. 5); Art. 7); Art. 9); Art. 10); Art. 13); Art. 16);

The Purchaser

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