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TERMS OF BUSINESS

THE FOLLOWING TERMS AND CONDITIONS WILL GOVERN ANY BUSINESS CARRIED OUT BY GNN INTERNATIONAL WITH ITS CUSTOMERS/BUYERS. THESE TERMS OF BUSINESS WILL BE REVIEWED PERIODICALLY TO TAKE ACCOUNT OF CHANGES TO OUR OPERATIONS AND PRACTICES AND THEREFORE GNN MAY MAKE FUTURE CHANGES OR MODIFICATIONS TO SUCH TERMS AND CONDITIONS AT ANY TIME WITHOUT NOTICE. THIS AGREEMENT WILL BE GOVERNED BY THE MOST CURRENT TERMS OF BUSINESS POSTED ON OUR WEBSITE.

1. ACCEPTANCE

THE TERMS AND CONDITIONS OF SALE CONTAINED HEREIN APPLY TO ALL QUOTATIONS MADE AND PURCHASE ORDERS ACCEPTED BY GNN INTERNATIONAL (HEREAFTER REFERRED TO AS "GNN") FOR THE PURCHASE AND SALE OF CUSTOM AND WHOLESALE LEATHER GOODS. SOME OF THE SALES TERMS AND CONDITIONS SET OUT HERE MAY DIFFER FROM THOSE IN CUSTOMER'S PURCHASE ORDER AND SOME MAY BE NEW. THIS ACCEPTANCE IS CONDITIONAL ON CUSTOMER'S ASSENT TO THE SALES TERMS SET OUT HERE IN LIEU OF THOSE IN CUSTOMER'S PURCHASE ORDER. GNN'S FAILURE TO OBJECT TO PROVISIONS CONTAINED IN ANY COMMUNICATION FROM CUSTOMER SHALL NOT BE SEEMED A WAIVER OF THE PROVISIONS OF THIS ACCEPTANCE. ANY CHANGES IN THE SALES TERMS CONTAINED HEREIN MUST SPECIFICALLY BE AGREED TO IN WRITING BY AN AUTHORIZED OFFICIAL OF GNN BEFORE BECOMING BINDING ON EITHER GNN OR THE CUSTOMER. All orders must be approved and accepted by GNN at its sales office in Colorado, USA.

2. SPECIFICATIONS

Unless different specifications are established and agreed to in writing, the specifications for the Products are the written specifications for the product issued by the customer. Such specifications must be provided in writing via regular mail, email, or fax and must be complete and accurate for a favorable outcome. GNN may, without affecting the obligations of Customer, make insignificant changes to the specifications of the Products as and when required.

3. PRICES

After receiving specifications, we quote our best possible prices to our potential customers upon their request. When quoting prices, we use our extensive experience and knowledge to provide our valued customers as accurate of a price quote as possible. However, this price quote will serve only as guidance and will not be binding on GNN or our customer. Once we complete the prototyping process, we will inform the customer of net changes in the prices, if any. The difference between the quoted price and the final price may occur based on several factors including but not limited to actual leather consumption, changes in specifications, and shipping considerations. Prices do not include duties and/or taxes and any duties and/or taxes GNN may be required to collect or pay upon the sale, use or delivery of the Products will be paid by Customer upon invoicing.

4. SHIPPING CHARGES

The actual shipping charges vary based on the total volume and weight of the shipment and therefore it is not possible for us to quote you the accurate shipping quote in

advance. Unless otherwise requested by the customer, we quote FOB India prices for our products that do not include shipping charges. Shipping charges are charged on actual basis later at the time of the shipment. We quote shipping estimates solely in the spirit of helping our customers. We therefore do not accept any responsibility whatsoever for the accuracy of such quote(s) that we receive on behalf of our customers from shipping and forwarding agents in India and forward those quotes to them on "as is" basis.

5. PAYMENTS

Unless otherwise set forth on the face hereof payment Sales Terms require payments be made using one of the following three options:

- For Transactions Over \$15,000 (FOB Calcutta Value): 100% Confirmed Irrevocable Letter of Credit at Sight issued by a reputed US/international bank. All bank charges incurred will be to buyer's account.
- For Transactions \$8,000-\$15,000 (FOB Calcutta Value): 50% deposit at the time of placing order and balance payment before delivery of the goods. We can extend flexible terms to our long-time customers based on their payment history and credit worthiness. Wire transfer remittance only.
- For Transactions Below \$8,000 (FOB Calcutta Value): 100% deposit at the time of placing order. Business check or wire transfer Remittance accepted.

In case of the latter two options, interest will be charged on all unpaid amounts at the rate of 1.5% per month or the highest lawful rate, whichever is less effective the first due date. GNN may change these credit Sales Terms if Customer's financial condition changes. Each shipment shall be considered a separate and independent transaction.

Subject to the size and frequency of a transaction, based on GNN discretion, additional or new payment terms may apply, which will be set or negotiated on individual transaction basis.

6. DELIVERY

Delivery will be FOB GNN location in India and will occur when the Products are ready for pickup by the carrier. In the absence of specific instructions, GNN will select a carrier. GNN does not assume any liability for the shipment. Unless otherwise mutually agreed, the customer will be responsible for all transportation and insurance charges, including those associated with warranty repairs. Delivery dates set forth on the face hereof are estimates only. GNN will use its best efforts to deliver in accordance with these dates but will not be responsible for failure to deliver as estimated.

7. INSPECTIONS

Pre-Shipment Inspections: All buyers have an option of engaging an internationally reputed inspection agency e.g. [SGS \(India\)](#) for quality inspections prior to the shipment. The expenses incurred in such inspection will be borne by the buyer.

Post-Shipment Inspections: Within 7 days after delivery Customer will inspect the Products and give written notice of rejection to GNN detailing the manner in which any Products do not conform to the specifications. Upon receiving authorization and shipping instructions from GNN, Customer may return rejected goods. If Customer retains the goods after their delivery without giving GNN such notice within the designated period, Customer will be deemed to have irrevocably accepted the Products. Customer's inspection and acceptance tests shall not exceed the inspection and test procedures customary in the industry for the Products and shall be at Customer's expense. GNN may charge to Customer any costs resulting from the testing, handling, and disposition of any goods returned by Customer which are not found by GNN to be non-conforming.

8. WARRANTY

We, at GNN strive hard to provide the very best in terms of quality and workmanship in

all our leather products. We insure our products deliver the satisfaction that our customers deserve and expect from us. All products that we sell are backed by our 100% satisfaction guarantee. However, due to variety of reasons, we do not provide any guarantee expressed or implied towards the Custom Product Prototype(s) that we produce based on your specifications.

I. Wholesale Leather Goods

Our wholesale leather products are backed by our full money back guarantee. If you're not satisfied with our products in any way, please contact us immediately within 7 days and we'll refund your money once the returned products are received. Customers will pay for return shipping unless the products are defective or other unusual circumstances exist.

II. Custom Leather Goods

a) Prototype Development:

Despite of our best efforts, there are times when our customers are not fully satisfied with the prototype(s) that we've developed based on their specifications. This is true particularly in cases where we've not been provided clear specifications and instructions, or the cases where a metal die or a mold casting is required to develop a product prototype. While we fully believe in the expertise of our prototyping team, due to the uncertain nature of the process and outcome, we offer no guarantee expressed or implied on the final product prototype(s) and therefore do not offer money refunds or credits towards such metal die or mold development cost that we've charged you.

To help us ensure that the Custom Product Prototype(s) you have requested from us meets your expectations, please be very specific and detailed in the specifications that you provide us.

b) Product Development:

For custom leather goods, we encourage our customers to ask for a final physical sample approval to make sure everything is per their specifications before we go into full production. This eliminates all the possibilities of a final product based on any assumptions that are not clearly communicated or are not specified in the specs-sheet giving both our customer and us the peace of mind. Where time constraints don't allow for a physical sample be sent for approval, we provide elaborate pictures of the final product sample to ensure 100% compliance with the specs-sheet or instructions provided.

Even after these measures, when you receive your final product shipment that you're not fully satisfied with the quality of our work, under our 100% customer satisfaction policy, we will provide you the full product replacement without any obligation to you. Please contact us immediately within 7 days if you believe the delivered products are faulty and we will advise you of where the return is to be sent. Do not return the product directly to us, as this will only delay the replacement process. The replacement products will be shipped to you as soon as possible.

Due to the nature of our products and services, and ample opportunities to avoid the misunderstandings during the prototyping and manufacturing process, the cash refunds are not provided under any circumstances.

III. Other Situations

If any other situation arises that is not covered by our Refunds Policy, please contact us immediately so we can seek to resolve it successfully. Your 100% satisfaction is our goal.

9. CANCELLATION AND RESCHEDULING

Once accepted, the Proforma Invoices and/or Purchase Orders are non-cancelable but

can be postponed, delayed, and the delivery can be rescheduled without penalty and without any time limit. GNN, however, may cancel an order or any portion in the event of Customer's default or a material adverse change in Customer's financial condition without affecting GNN's right and remedies. Except as otherwise provided herein orders accepted by GNN are firm and non-cancelable.

10. CONTINGENCIES

GNN shall not be responsible for any failure to perform due to unforeseen circumstances or to causes beyond GNN's reasonable control. Examples of such causes are acts of God, war, riot, embargoes, acts of civil or military authorities, fire, floods, accidents, strikes or shortages of transportation facilities, fuel, energy, labor or materials. GNN may defer delivery for a period equal to the delay caused by such contingency in the event of shortages for any reason whatsoever. GNN may allocate production among its customers.

11. LIMITATION OF LIABILITY

Liability of GNN to Customer, if any, under this contract for breach of contract or warranty, negligence or otherwise shall in no event exceed the total contract price specified herein less the purchase price of any items delivered and accepted hereunder. In no event shall GNN be liable to Customer or others for special, incidental or consequential damages for breach of any of the provisions of this contract, including without limitation, provisions regarding warranties, guaranties, indemnities, and patent infringement, or based upon any claims, demands, settlements, or lawsuits arising from or in connection with, the Products sold hereunder, such damages including, but not limited to, costs of removal and reinstallation of items, loss of good will, loss of profits, or loss of use. Customer assumes all liability for any and all damages arising from or in connection with, the use or misuse of the Products by Customer, its employees, or others.

12. GENERAL

This is the complete and exclusive statement of the agreement between the parties and supersedes all prior agreements and communications about the subject matter. Neither this agreement nor individual transactions under it may be assigned by Customer without the prior written consent of GNN. Regardless of any disclosure made by Customer to GNN of an ultimate destination of the Products, Customer will not export, directly or indirectly, any Product without first obtaining all required licenses from the appropriate government agencies. This agreement and all transactions under it shall be governed by the laws of Colorado.

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