

GENERAL CONDITIONS OF SALE

1 CONTRACTUAL REGULATIONS

These general conditions, subject to modifications or waivers agreed in writing, govern all sales contracts between Florim and the Purchaser. Variations in the general conditions of sale, offers, credits or allowances agreed by our agents or other intermediaries, are not valid unless accepted in writing by our head office.

2 SUBJECT OF THE SUPPLY

The supply includes only the materials, services and quantities specified in our order confirmation. The text of the Florim order confirmation shall prevail in any case over any differing text of the offer or order.

3 ORDER CONFIRMATION

If, in the Florim order confirmation, there are differences in the individual elements comprising it, compared with the agreements or the orders, the Purchaser is understood to have accepted our confirmation as it was drawn up, unless an objection to it is made in writing within 7 days of receipt of it.

The customer undertakes to notify Florim Ceramiche S.p.A. of the place of destination of the goods, if different from the address quoted on the order confirmation. In the case of any variation in the place of destination, the identification data of the destination address for the goods and the place where delivery is to be made must be sent by post, fax or email, before the day laid down for collection at Florim's premises.

If no notification is received, the destination originally shown shall be understood as tacitly confirmed.

4 PRICES

The prices shown in the Florim price-lists are not binding: we therefore reserve the right to modify them before acceptance of the order.

The prices agreed upon for each individual sale are understood as net, for cash and for delivery ex-works, subject to any different written stipulation. If there should be increases in costs of raw materials, labour, fuel, production or transport costs, etc. between the order date (even after the order confirmation) and the delivery date, Florim may increase the agreed price, giving written notification to the Purchaser also by fax or email. However, if this price should exceed the price agreed at the time of order by 20%, the Purchaser may withdraw from the contract by notifying us by registered letter of his desire to do so within the deadline of 10 days from receipt of the notice of price increase. If he fails to do so, the price shall be understood as accepted.

5 SHIPMENTS

The sale is always ex-works at the Florim premises.

The goods travel at the Purchaser's risk and our liability ends with delivery to the carrier, to whom the Purchaser after performing suitable checks must make any claims that may arise.

Shipments by sea or land concerning supplies carried out abroad are performed according to conditions chosen on a time-by-time basis, shown in the "Incoterms" approved by the International Chamber of Commerce.

6 DELIVERY TIMES

Delivery times are by way of indication only: any delays in delivery and interruptions and total or partial suspensions of supplies shall not give rise to an entitlement to refunds or claims for compensation unless otherwise agreed in writing.

7 SAMPLES

The data shown in the Florim illustrative documents, as well as the characteristics of samples and models sent by Florim to the Purchaser, is of an approximately indicative nature. This data has no binding value except to the extent to which they were expressly mentioned as such in Florim's offer or written acceptance.

8 PAYMENTS

Florim's invoices are issued on the day of supply and must be paid net on the agreed expiry date.

Each and every obligation for payment between the contracting parties must be performed at Florim's head office.

Any payments made to agents, sales representatives or assistants of Florim are not considered to have been carried out until the relative sums have reached Florim.

Payment must be carried out, subject to any other written agreement, at the same time as the delivery, to the bank indicated by Florim.

Any delay or irregularity in payment gives Florim the right to suspend supplies or to terminate current contracts, even if they do not relate to the payments in question, as well as the right to claim any damages. Florim is in any case entitled – starting from the payment expiry date, and without the need for notice of default – to the interest on arrears to the extent provided for by Italian Legislative Decree No. 231 of 09/10/2002. In the case of non-fulfilment, even only partial, the interest on arrears for the unpaid amount shall start from the day of delivery even if the payment term was agreed on as a later date.

No objection or dispute referring to the quality of the goods or to flaws or defects or to any other aspect of the contract shall be valid and can be taken into consideration; in addition, no action may be started up until after payment has been made of the entire amount of the price (*solvo et repeto* clause).

Compensation to Florim, with any credits, however they may have arisen, is not permitted.

9 GUARANTEES AND COMPLAINTS

The quality of the ceramic material is defined on the basis of the prevailing international regulations applicable to the corresponding product class.

Florim guarantees only goods supplied as prime quality. Complaints relating to goods other than of prime quality ("B" quality, commercial, second, third, secondary, stock, etc.) shall not be taken into consideration, nor will any kind of guarantee be given, either implicitly or explicitly, on these materials.

The Purchaser is obliged to check the goods in terms of quality and quantity within a short time after receipt and, in the case of a complaint, to give notification of this in writing no later than 8 (eight) days from receipt of the goods; failure to do so will incur the forfeiture of all rights.

Material deemed to be defective must be held at Florim's disposal for the checks that it will consider suitable to carry out; any further action (return, repair or other) must be authorized in advance by us in writing.

Complaints and requests for intervention under guarantee after the material has been laid shall not be taken into account if the defect reported is evident (e.g. chips, defects of size, differences in colour shade, etc.). It is made clear that the prime quality may contain defective tiles up to a limit of 5% and that the colour shades of the material supplied may differ from the sample displayed, since ceramic is intrinsically variable in appearance.

Complaints attributed to latent faults or defects must be formalized in writing within 8 (eight) days from their discovery and, in any case, within one year from delivery; failure to do so will incur the forfeiture of all rights under the guarantee and to compensation. As well as the invoice details, the notification must contain a precise description of the defect and an estimate of costs for repair or modification of the product; failure to notify this data will cause the complaint to be deemed invalid.

If the complaint should prove to be unfounded the Purchaser must reimburse Florim for all the expenses incurred for assessment (travelling expenses, surveys, etc.).

Florim's obligation is, in any case, limited to replacing the defective pieces only or to repairing them, with the express exclusion of other, further indemnities such as, by way of a non-limiting example, for costs of removing and re-installing furniture, equipment, machinery, etc., or loss of earnings for interruption or suspension of business, inconvenience, consequential damages, etc. The presence of defective tiles does not invalidate the quality of the entire supply, nor does it incur the obligation for its entire replacement.

The time limits for the duration of the guarantee are as established by the Italian Civil Code.

10 RETENTION OF TITLE

Sale of the goods is carried out with the retention of title clause; therefore if payment, by contractual agreements, must be carried out wholly or in part after delivery, the products delivered remain the property of Florim until the entire price has been paid.

11 TRANSFER OF CONTRACT

The Purchaser may not transfer his position in the contract or in individual binding agreements deriving from this without Florim's written acceptance: also in this case the Purchaser anyway remains jointly liable with the transferee for the obligations transferred.

12 INDUSTRIAL PROPERTY AND SELECTIVE DISTRIBUTION – LIMITS ON RESALE

Florim is the owner and legal holder of the exclusive rights to brand names, designs and patents. In order to guarantee full respect for Florim's exclusive rights, as well as the end consumers' expectations with regard to expected quality characteristics, Florim manages the supplies of its products by means of a selective distribution system. Supplies received from Florim and from its authorized selective sales outlets are designed for installation at the end user's premises and no other form of resale to further sales agents other than the end users is permitted, unless with Florim's prior written authorization. Goods that are re-sold in breach of this provision must therefore be considered as not permitted and treated as an unlawful use of Florim's industrial and intellectual property rights, with Florim's right to ask for them to be seized at the premises of any holder. Florim reserves the right to take legal proceedings against anyone who is involved in unauthorized re-selling.

13 LAW GOVERNING THE CONTRACT – PLACE OF JURISDICTION

The contract is governed by Italian law, including the customs of the sector in Modena Province. For any dispute that may in any case derive from the supply contract, either on the part of Florim or on the part of the Purchaser, the Modena Court has exclusive competence. Florim nevertheless has the right to resort to different judicial authorities.

14. SUPPLY CHAIN SECURITY

Florim, in order to grant the security of the international supply chain, kindly asks its CUSTOMERS to comply with the security requirements laid down by AEO - Authorised Economic Operator – CUSTOMS - to safeguard the goods in the European Community during the activities of the forward and reverse flows.

Florim CUSTOMERS undertake to meet the security and safety conditions during the operations of receiving, delivery, distribution, transport and storage, ensuring that the goods are taken into delivery, stocked, transported, prepared and loaded in safe places and in safe loading and shipping areas, well protected against intrusion and manipulation, with the only employ of reliable, authorized and duly trained own personnel

All items on this price list are exclusively sold in complete boxes.

THIS PRICE LIST CANCELS AND REPLACES ANY PREVIOUS ONES