

## **GENERAL SALES CONDITIONS**

Rev. 3 of 1st September 2020

### **A.- CONTRACT COMPLETION**

A.1.- These general sales conditions govern every sales contract between the Seller and the Buyer and any amendment or exception thereof shall be agreed in writing.

A.2.- Any offers, credits and/or rebates granted by agents or other intermediaries, shall not be considered valid if they are not confirmed in writing by the Seller.

A.3.- The Buyer shall send the written orders to the Seller, directly or through the agents, and the orders shall include the codes of the required products, quantity, price and destination. The order sent by the Buyer is irrevocable.

A.4.- The sale shall be deemed completed when: (i) the Buyer receives a written confirmation from the Seller, via e-mail, fax or other electronic means, that complies with the terms and conditions of the order; or (ii) if the confirmation sent by the Seller contains conditions that differ from the order sent by the Buyer, when the latter accepts it in writing or in any case does not object within 7 (seven) days from reception; or (iii) if the Seller does not provide a written confirmation, when the products are delivered and loaded by the Buyer.

A.5.- The Buyer shares the need to restrict the sales of products to the national territory. The Seller deems this rule necessary in order to coordinate its sales policy, streamline its distribution network and provide offers that are suited to the needs of the single countries. The Buyer acknowledges that this rule is also in its best interest. The Buyer therefore undertakes to market the products exclusively in its country of residence, refraining from promoting active sales, even online, with customers located in the territory of a country different from its own. As regards triangular operations, this undertaking applies to the country in which the buyer actually operates. The Buyer may resell the product outside its territory only with written authorization from the Seller, or if the sales concern non first-grade products or products that are out of production.

### **B.- PRICES**

B.1.- The prices agreed upon for each individual sale are net prices for cash delivery ex works (the Seller's plant

shall be specified in the order confirmation), unless otherwise agreed in writing.

### **C.- PRODUCT CHARACTERISTICS**

C.1.- The Buyer declares to have read and comply with the content of the following documentation published on the corporate website: 1) Laying, use, cleaning and maintenance manual and 2) Technical data sheets.

C.2. Given the intrinsic variability of the ceramic products, the characteristics of the samples, previously sent by the Seller to the Buyer, are purely illustrative and cannot be deemed binding.

C.3. Unless specifically requested and agreed before the order confirmation, the Seller does not guarantee that the entire quantity of an article on order shall be sent from one same production lot.

### **D.- DELIVERY TERMS**

D.1. - The delivery terms are understood to be indicative and the extension thereof cannot entitle the Purchaser to request any form of compensation, without exception.

D.2. - If, after 14 (fourteen) days from the date of notification that the goods are ready, the Purchaser fails to collect them, the Seller shall be forced for reasons of occupied space to return the goods to the storage facilities, thereby incurring additional costs; the Seller reserves the right to charge the Purchaser such additional costs.

### **E.- SHIPPING ARRANGEMENTS AND TERMS**

E.1.- The Buyer must communicate any variation in the destination of the products, different from the one agreed in the order confirmation, in writing within, and no later than, the second day before the day foreseen for the collection at the Seller's premises. The Seller reserves the right not to accept the change of the product destination. If the actual destination of the product is different from the one stated by the Buyer, the Seller reserves the right to suspend the execution of the supplies underway and/or to terminate the contracts in force and the Buyer shall not have the right to claim direct and/or indirect compensation of any type.

E.2.- Unless otherwise agreed, the goods shall be delivered ex-works (EXW - Incoterms 2010) and this shall also be the case when the parties agree that the delivery, or part of it, shall be arranged by the Seller on

the Buyer's behalf. In any case, the risks shall transfer to the Buyer upon delivery to the first carrier.

E.3.- Without prejudice to the Seller's extraneity in relation to the transport contract, the Seller shall not be indicated as "shipper" on the bill of lading. The communication of the gross weight of the container to the Forwarding agent does not represent in any way the undertaking of any liability by the Seller as regards the SOLAS (Safety Of Life At Sea) Convention. In no event may the said communication be taken to be the VGM (Verified Gross Mass).

E.4.- The Buyer undertakes to ensure that the vehicle sent to the Seller's warehouse is suitable for the loading operations, considering the nature of the products. If the vehicle sent to collect the goods causes difficulties in the loading operations, the Seller reserves the right to charge a penalty, of 4% of the value of the products, to cover the extra logistics costs. If the vehicle sent is not at all suitable, the Seller reserves the right to refuse to load the goods and the Buyer shall not have the right to claim compensation for any direct and/or indirect cost that may arise therefrom.

E.5.- The Buyer is responsible for assigning the carrier the task of checking the products before loading them; any observations concerning the condition of the packaging and the correspondence of the quantities loaded with those on the transport document must be made by the carrier upon collection of the goods. The said observations must be written on all the copies of the transport documents, otherwise the loaded products shall be considered to be complete and in good condition. As a result, the Seller shall not be liable for any missing or damaged products not reported by the carrier.

E.6.- The Buyer is also responsible for assigning the carrier the task of checking the loading procedure and the stability of the goods on the vehicle, in order to prevent damage during transport and to comply with all road safety provisions.

#### **F.- PAYMENTS**

F.1.- All payments must be made to the Seller's registered office. Payments made to agents, representatives, or sales assistants shall not be considered as made until the amounts are received by the Seller.

F.2.- The Buyer shall not fulfil its payment obligations by making payments from countries other than its own country of residence, if the said countries do not guarantee an adequate exchange of information with Italy. In case of breach of the said prohibition, the Seller has the right to terminate the contract for just cause and

the Buyer shall not have the right to claim compensation for any damage suffered.

F.3.- Any costs for stamp duty and bank draft fees shall be borne by the Buyer. Failure to fulfil, even only in part, the payment shall result in the application of interest on arrears in favour of the Seller, from the date established for the payment, as envisaged by legislative decree 09/10/2002 no. 231.

F.4.- Unless otherwise agreed in writing, the Buyer undertakes not to offset any receivables, of whatever nature, owed by the Seller.

#### **G.- CLAIMS**

G.1.- Upon receipt of the products, the Buyer shall perform a visual inspection in compliance with instructions provided in point 7 of UNI EN ISO 10545-2 standards.

G.2.- The products must be installed and fitted strictly respecting the recommendations related to the activities to be performed before and during the laying of the product specified in document 1) Laying, use, cleaning and maintenance manual, published on the Seller's website, and on the product packaging and/or inside the packaging. Faults caused by an incorrect installation and by missing/incorrect maintenance (different from instructions provided in document 1) Laying, use, cleaning and maintenance manual), by an unsuitable use and/or by normal wear over time shall not be considered product faults.

G.3.- With the exception of the limits of acceptability foreseen by the international EN 14411 (ISO 13006) standard, the parties acknowledge as identifiable faults those product defects that are immediately visible upon receipt thereof and that make the material unsuitable for use or that significantly reduce its value. This category includes faults as defined in the document 1) Laying, use, cleaning and maintenance manual, published on the Seller's website. Identifiable faults include, by way of a non-limiting example, superficial defects, decoration defects, defects concerning polishing, dimensions, surface flatness, straightness of sides/rectangularity and thickness, cracks, chippings or rough edges, non-compliant shades, mixed shades and products that feature problems deriving from the cutting process and/or from chips.

G.4.- If the Buyer finds an identifiable fault, it must be reported in writing to the Seller, within 8 (eight) days from receipt of the products; failure to send the claim shall result in the forfeiture and loss of such right. The Buyer shall keep the entire lot of material readily available for the Seller. The claim shall include the invoice details and an accurate description of the claimed

fault together with photographs, where possible. In the event that the claim proves to be unfounded, the Buyer shall refund the Seller any costs incurred for an inspection (expert's reports, travel, etc.).

G.5.- Hidden faults shall be notified to the Supplier in writing, by recorded delivery letter with advice of receipt, within 8 days from the date such fault is found, under penalty of forfeiture.

G.6.- The Buyer's right to make a claim for faults under warranty is valid for 12 (twelve) months from the delivery of the products.

#### **H.- WARRANTY FOR FAULTS**

H.1. The Seller's warranty is limited to first grade products and not second or third grade products or lots on offer with special prices or discounts, which must be duly specified with a note in the order confirmation.

H.2. The Seller does not guarantee the suitability of the products for particular uses, and only guarantees the technical specifications published on the website in the document 2) Technical data sheets. The indication for use is merely indicative, even when written in the Seller's catalogues and manuals. On the basis of the characteristics described in the document 2) Technical data sheets, the designer always has the task of assessing the suitability of the product for the specific use conditions, taking into account the stress and variables to which the product will be subjected, which may alter its characteristics; for example, the traffic intensity, quality of traffic (foot traffic with the presence of sand, debris...), adverse weather conditions and any other unpredictable factor to which the material may be exposed.

**H.3.- In the event that identifiable product faults are ascertained, as defined in sub section G no. 3, the Seller shall replace the faulty product with another one with equal or superior characteristics; should this not be possible, the Seller shall apply a significant price reduction. Alternatively, following the return of the faulty products, the Buyer shall have the right to a refund of the price paid plus the transport cost, with the exclusion of compensation for any other direct and/or indirect damage.**

**H.4. The Seller's warranty shall not be valid if the products that have identifiable faults (totally or in part) have been used and/or in any case transformed, as this entails that the Buyer (or its customer) expressed the intention to accept them in the condition in which they were found.**

**H.5.- In the event that hidden product faults are ascertained, the Seller's warranty is limited to the**

**replacement with other products of equal or superior characteristics; should this not be possible the Seller shall refund the price paid plus the transport cost.** In any case, the Seller's warranty for any direct and/or indirect damage caused by the faulty product, shall be limited to an amount that shall not be greater than double the selling price applied by the Seller, only in relation to the faulty part of the supply.

H.6.- In the event that the Buyer resells the product to subjects protected by the consumer code (law decree no. 206/2005), the former shall be responsible for the conditions applied, if different from those stated herein, and shall ensure that the consumer's rights are exercised, in relation to the remedies and terms established by the said code. If there are the grounds for the Buyer to exercise the right of recourse and/or make a claim against the Seller/manufacturer, the said action shall take into account or go beyond the exemptions and limits established in sub sections G no. 1 and H no. 5.

#### **I. SOLVE ET REPETE (pay and then claim) AND TERMINATION CLAUSES**

I.1.- Pursuant to article 1462 of the Italian Civil Code, on no account may the Buyer suspend or delay payment of collected material, including in the event of alleged defects or faults in the material; this does not affect the right to claim back any payments made unduly (solve et repete).

I.2.- If the Buyer's financial situation changes or in the event of non-payment (even partial) of products already supplied, the Seller reserves the right to suspend the execution of the supplies underway and/or to terminate the contracts in force and the Buyer shall not have the right to claim direct and/or indirect compensation of any type.

#### **L.- RETENTION OF OWNERSHIP**

L.1.- The products supplied shall remain exclusive property of the Seller until the Buyer has paid the full amount.

L.2.- During the aforementioned period, the Buyer shall undertake the obligations and responsibilities as bailee (also referred to as custodian) and shall not transfer the said products, grant their use, let them be seized or distrained without declaring that the property is of the Seller, and the Buyer shall immediately inform the Seller by recorded delivery letter with advice of receipt.

#### **M.- FORCE MAJEURE**

M.1.- Each party may suspend the fulfilment of its contractual obligations, when the said fulfilment is impossible or objectively too costly due to an unforeseeable impediment independent from the

parties, such as for example: strike, boycott, lockout, fire, war (declared or not), civil war, riots and revolutions, requisitions, embargo, power blackouts, extraordinary breakage of machinery, delays in the delivery of components or raw materials.

M.2.- The party that wishes to apply this clause shall immediately notify the onset and end of the circumstances of force majeure to the other party in writing.

M.3.- If the suspension due to force majeure lasts longer than 60 (sixty) days, each party shall have the right to terminate this contract, with a notice of 10 (ten) days to be notified to the counterparty in writing.

**N.- CONFIDENTIALITY**

N.1.- The Buyer undertakes to maintain confidentiality as regards all information of a technical (such as, by way of a non-limiting example, drawings, tables, documentation, formulas and correspondence) and commercial nature (including contractual conditions, purchase prices, payment conditions,...) gained during the performance of this contract.

N.2.- The confidentiality obligation shall be undertaken for the entire duration of this contract and for the period following its execution.

N.3.- In case of failure to uphold the confidentiality obligation, the non-fulfilling party shall pay the other

party compensation for all damages that may derive therefrom.

**O.- SELLER'S TRADEMARKS AND DISTINCTIVE SIGNS**

O.1.-The use of trademarks, ornamental designs and creative works in general, in whatever form and manner of expression (such as, by way of a non-limiting example: images, photos, drawings, videos, shapes, structures, etc.) constituting the Seller's intellectual property, through any means (such as, by way of a non-limiting example: press, video, radio, internet, social media, instant messaging platforms or VoIP, etc.) is strictly forbidden. Any exception to the said prohibition, even only partial, must be authorised in writing, each time, by the Seller's general management.

**P.- CONTRACT LANGUAGE, APPLICABLE LAW, JURISDICTION AND AUTHORITY**

P.1.- The present contract is drafted in Italian, and in case of disputes the said version shall prevail over any translations in other languages.

P.2.- Any dispute concerning the supply of products shall be subject to Italian law and jurisdiction and the Court of Modena, the town in which the Seller has its registered office, shall have sole local jurisdiction.

....., on.../.../...

Seller

Buyer

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The Buyer confirms that the general conditions mentioned above have been negotiated with the Seller and declares to have read them and to specifically approve those related to the contract conditions (sub section A no. 5), the prices (sub section B), product characteristics (sub section C), delivery terms (sub section D), shipping arrangements and terms (sub section E from 2 to 4), claims (sub section G no. 1, 2 and 4), limits and exclusions of the Seller's warranty (sub section H), solve et repete (pay and then claim) and termination (sub section I), retention of property (sub section L) and contractual language, law, applicable law, jurisdiction and authority (sub section P).

Buyer

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