

GENERAL CONDITIONS OF SALE

1) BUYER'S ACCEPTANCE OF SELLER'S CONDITIONS OF SALE

These General Conditions of Sale shall apply to every Contract of Settecento Valtresinaro S.p.a. ("Seller") for the sale of goods or articles ("Merchandise") to any person who has purchased or agreed to purchase Merchandise from Seller ("Buyer"), unless Seller otherwise specifically agrees in writing.

By placing any order for Merchandise, the Buyer agrees to these General Conditions of Sale.

Any other terms or conditions which may at any time be indicated by the Buyer, in the Buyer's order from or otherwise shall be null and void and of no effect, even if not expressly objected to by Seller.

2) ACCEPTANCE AND CONFIRMATION OF ORDER

All orders of the Buyer, whether taken by any agent of Seller or otherwise, are subject to Seller's approval.

No order of the Buyer will be binding upon Seller unless accepted by Seller at Seller's head office in Fiorano, Modena, Italy, on Seller's form of Order Confirmation, signed by an officer or employee of seller duly authorized to sign on behalf of Seller, and then only as and to the extent set forth in such Order Confirmation.

Every order of the Buyer will be binding on the Buyer unless and until is rejected in writing by Seller.

3) PRICES

Unless otherwise specifically agreed by Seller in writing, the Buyer will pay the prices of Seller for the Merchandise in effect at the time of shipment.

All prices are for delivery ex factory, excluding transportation and shipping charges, taxes, fees and customs duties.

Seller's prices may, at Seller's option, be increased, after Seller's acceptance of the Buyer's order, to reflect any increases in Seller's raw materials, labor, fuel or other costs.

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If the price increase exceeds 20%, Buyer may recede from the Contract by giving prior notice to Seller in writing, strictly within 10 days from receiving the price increase notification, waiving any right to claim compensation for damages.

4) DISCOUNTS AND ALLOWANCES

Except as otherwise agreed by Seller in writing, the Buyer will not be entitled to any discount or allowance of any kind. No agent of Seller is authorized to agree to any such discount or allowance on behalf of Seller.

5) DELIVERY TIME AND TERMS

Any delivery dates specified by Seller will be deemed to be estimates only. In no event is the time of delivery of the Merchandise of the essence. Seller reserves the right to cancel, suspend or delay, whole or in part, any orders due to any event in the nature of force majeure or beyond Seller's control.

Seller also reserves the right to discontinue particular Merchandise in response to production and market requirements and demands.

The Buyer waives any and all claims and rights relating to any cancellation or delay in delivery of the Merchandise including, without limitation, any and all claims for or rights to direct, indirect, incidental, consequential or other damages or compensation. The Buyer is entitled to recede from the contract only in the event that these delays exceed 60 days, giving Seller notice in writing and waiving any right to claim compensation for damages.

6) RISK OF LOSS

Irrespective of the terms of sale which may be specified, and irrespective of whether the transportation or shipping charges are paid by Seller, all risk of loss or damage to the Merchandise shall pass to the Buyer upon delivery of the Merchandise by Seller to a carrier and any claim for loss or damage shall be made by the Buyer solely against the carrier.

7) TITLE RETENTION

Until Seller collect in full all amounts required to be paid by the Buyer for the Merchandise, in accordance with article 1523 of the Italian Civil Code.

8) PAYMENT TERMS

The Buyer shall make payment at Seller's head office in Fiorano, Modena, Italy in accordance with the provisions of the Contract.

For no reason may the Buyer delay or suspend the payment, notwithstanding any claim, including, without limitation, any claim for any alleged defect, fault or irregularity in the Merchandise, without prejudice to the right to claim any amounts that the letter can prove to have been unduly paid.

Acceptance by Seller of any check, draft, promissory note or other instrument will not constitute payment until Seller has collected the full amount in cash.

In the event of any delay in payment, even partial, Seller shall have the right to suspend deliveries and may, at its option require immediate payment of all sums owed by the Buyer, or guarantees or terminates the Contract.

In the event Seller does not receive any payment by the due date, the Buyer shall pay to Seller interest on the unpaid amount, from the due date to the date payment is actually received by Seller, at a rate equal to five percent above the official rate of the Bank of Italy during such period or the highest rate permitted by law, whichever is less.

Irrespective of any payment or credit terms specified or agreed to by Seller, Seller may, in its sole discretion, at any time, require payment in cash before shipment of any or all of the Merchandise. If Seller believes that the Buyer's ability to make the payments required by the Contract is or may become impaired, Seller may, in its sole discretion, terminate the Contract, the Buyer remaining liable to pay for any Merchandise already shipped.

In the event that the Seller takes proceedings to cash any sum due by Buyer or avails itself of any right pursuant to this contract, including title retention, Buyer must refund Seller of all express, charges and fees arising out of judgement.

9) WARRANTIES

Except for such express written warranties, Seller makes no warranty, express or implied, with respect to the merchandise, including, without limitation, any warranty of merchantability or fitness for any particular purpose. Moreover, any written warranty made by Seller to the Buyer does not apply to second or third quality merchandise or stock.

Upon receipt of the Merchandise, Buyer must subject it to an accurate check by opening the boxes. The Buyer takes full and complete responsibility for ascertaining whether the Merchandise meets the requirements of or is suitable for the Buyer's intended use, regardless of any

suggestion or direction given by Seller with respect to the Merchandise or the use thereof. Under no circumstances does Seller make, or shall Seller be deemed to have made, any warranty, express or implied with respect to match or with respect to the uniformity or any other aspect of the colour, tone or shade of the Merchandise, or with respect to the conformity of the merchandise to the colour, tone or shade of any sample.

The Buyer acknowledges that variations in colour, tone and shade are characteristics of the merchandise and are inherent and unavoidable, and that Seller's samples are only approximations of the Merchandise and are only intended to give the buyer a general idea of the Merchandise. Under no circumstances does Seller make, or shall Seller be deemed to have made, any warranty, express or implied, by reason of any statement, description or illustration in any brochure or other literature.

10) CLAIMS

Any breach of warranty or other claim by the Buyer of any and every kind, including, without limitation, claims for defects, must be specific and must be made in a writing dispatched to Seller, by registered air mail, to Seller's head office in Fiorano, Modena, Italy, return receipt requested, prior to the installation of the Merchandise and, in any event, not later than eight days from the date of receipt of the Merchandise with respect to which the claim is made.

Failure to make any claim in such manner or within such time shall constitute an irrevocable acceptance of the Merchandise and an admission by the Buyer of the Merchandise fully complies with all the specifications of the Contract.

Having made a claim in the manner and within the time mentioned, Buyer must keep the Merchandise with respect to which the claim is made at the disposal of Seller for any checks.

No merchandise may be returned by the Buyer without the prior written authorization of Seller.

In the event of any ascertained defects, Seller may, at its election, either replace the Merchandise affected or cancel or terminate the Contract, in whole or in part, without any obligation to replace any Merchandise.

The Buyer waives any and all other claims, including, without limitation, any and all claims for or rights to direct, indirect, incidental, consequential, punitive or other compensation or damages, and any and all rights to terminate or cancel the Contract, in whole or in part.

11) PERSONAL DATA USE

In reference to Art.13 D.Lgs.196/2003 Buyer is informed that all personal data provided to Ceramiche Settecento Valtresinaro S.p.A., operating its own business also through other Companies which offer business information services, can be treated upon the above Art. 13 mentioned and in accordance to the Privacy obligation followed by Ceramica Settecento Valtresinaro S.p.A.

For personal data use is meant their collection, registration, organization, preservation, elaboration, modification, selection, analysis, comparison, use, relation, blockage, communication, diffusion, cancellation and erasing or the combination of more than one of them.

These data could be treated for operation related to the Ceramiche Settecento Valtresinaro S.p.A. business such as:

- a) for requirements prior to Agreements.
- b) To complete a service and or an operation previously agreed upon.
- c) To accomplish Law obligations.
- d) To accomplish Authorities and Police instructions.
- e) For handling and business requirements (Ie. marketing and statistics..)
- f) In order to check Buyer's relationship trends (storage and update of acquired information, cancellation and erase of the same should business relation finish and Law obligations.)
- g) For business information collection needs (Ie. Credit Risk check) and advertisement update.

Data treatment will be handled thru adequate tools which guarantee their security and privacy, and it'll be also possible to manage them thru automated, informatics and telematics tools able to memorize, control and transmit the same data and, anyhow, suitable to connect them to other data.

"Buyer" personal data can be transmitted to others, belonging to divisions related, directly or indirectly, to Ceramiche Settecento Valtresinaro S.p.A in order to accomplish business activities, such as:

- 1) Companies which provide commercial information
- 2) Insurance companies, brokers, credit earners, factors, credit insurance companies
- 3) Legal consultants, specialists (experts), business consultants, revisers
- 4) Bankruptcy solicitors, examiners, liquidators
- 5) Forwarding agents, carriers and suppliers which work with Ceramiche Settecento Valtresinaro S.p.A. warehouse
- 6) Companies related to and/or controlled by Ceramiche Settecento Valtresinaro S.p.A.
- 7) Agents and salesmen
- 8) Banks and/or financial business Companies.

In relation the above mentioned data treatment, "Buyer" will be able to apply the rights of art. 7 D.Lgs 196/2003 (i.e.: he'll be able to obtain from Ceramiche Settecento Valtresinaro S.p.A. the confirmation the existence of his personal data; he'll be able to ask for his data to be at his disposal in an intelligible form; he'll be able to require the data origin and also the meaning and purpose for the same data treatment; he'll be able to obtain the cancellation, the change to private or the blockage if data treated in violation of the law. Also he'll be able to obtain the update, amendment or, if required, the enhancement of the data; he'll be able to object the data treatment for legitimate reasons).

Data examination, even if not compulsory, is anyhow necessary as it is useful to handle contracts ruled by these general selling conditions, therefore the missing approval (ex art. 23 D.Ls 196/2003) from the "Buyer" to treat the data, unless unavoidable due to the sort of the same whose treatment or approval is denied, will lead to the contract resolution or the impossibility to continue the same.

Ceramiche Settecento Valtresinaro S.p.A. confirm that the obtained commercial information will not be communicated to the public.

The owner of the above data treatment is Ceramiche Settecento Valtresinaro S.p.A., legally based in Via del Crociale n. 21, 41042 Fiorano Modenese (Modena) in the person of the provider for D.Lgs 196/2003 Dott. Alfonso Panzani.

12) APPLICABLE LAW

The Contract shall be governed by and construed in accordance with the law of Republic of Italy.

13) TERRITORIAL COMPETENCE - JURISDICTION

Should arise any litigation between Ceramiche Settecento Valtresiano S.p.A. and the Buyer regarding the validity, interpretation, performance and cancellation of the contract agreed upon the present selling conditions, Modena Law Court will be the sole and exclusive competent one.

14) AMENDMENTS

Any amendment to be effective, must be in writing, signed by an officer or employee of Seller at Seller's head office in Fiorano, Modena, Italy, duly authorized to sign on behalf of Seller.