

FORBO FLOORING, INC. TERMS AND CONDITIONS

PURCHASE ORDERS

All purchase orders must be in written form and sent via email to: ORDERS.US@FORBO.COM (preferred) or faxed to 570-450-0258 at least 72 hours (3 business days) prior to your requested ship date. Telephone orders will not be accepted. Orders over \$10,000 should be faxed to us at least 96 hours before requested ship date in order to complete the paperwork required for credit and provide the warehouse sufficient time for packing.

Purchase orders must contain the following information:

- Purchase Order Number
- Account Number (if known)
- Bill to Address
- Ship to Address
- Required Delivery Date
- Job Name/Side mark
- Market Segment
- Color Number/Product Number (purchases will be based on Color Number/Product Number listed on your P.O. only)
- Gauge
- Quantity in full square yards or full cartons (quantity will be rounded up to the next full increment)
- Price and Special Pricing Number (if applicable)
- Contact person's name, telephone number, fax number and/or email address
- Shipping Instructions, including delivery date, specific carrier (if applicable) or accessorial (i.e. Residential, Construction Site, Inside Delivery, Liftgate required, etc.)

If your purchase order lists a price that varies from your approved Price List, it must include a Special Price Quote Number from your local sales representative before it will be processed. If your purchase order requires expedited service, a processing charge will be added to your invoice. Expedited orders will ship from the closest Forbo warehouse within 24 hours dependent upon credit approval and/or material availability. Charges are based on the total order value, as follows: \$45 for orders up to \$5,000; \$90 for orders \$5,001 - \$10,000; \$135 for orders over \$10,000. Once your purchase order is processed for shipping, 25% will be incurred for any changes or cancellations. This applies only to full rolls, cartons, and sundries. Cut roll and custom orders cannot be changed or cancelled.

All purchase orders must have a delivery date provided within 15 days of order placement or the order will be cancelled in writing. All purchase orders are subject to credit approval. If your account is past due, your Accounts Payable Department will be notified within 24 hours of order placement. If payment is not received within 15 days, the order will be cancelled in writing.

All purchase orders are further subject to acceptance by us at our headquarters in Hazleton, Pennsylvania, and we reserve the right to accept or reject any order. Possession of a price list does not constitute an offer to sell. We reserve the right to discontinue the manufacture or sale of any product at any time. All prices are subject to change without notice. The price charged will be the price in effect at the time of shipment. Should any governmental action or request prevent us from implementing any price or continuing any price already in effect, we may cancel an order or any part thereof.

ORDER CONFIRMATIONS/ACKNOWLEDGEMENTS

An order confirmation will be emailed (preferred) or faxed to you, confirming the materials, quantities, pricing, tax, additional charges, and anticipated delivery dates for your purchase order. Changes to materials, quantities, pricing, tax, additional charges and anticipated delivery dates may prompt an updated order confirmation to be sent. If the material(s), quantity, pricing, tax, or additional charges do not agree with your purchase order, please contact Customer Service immediately.

If an anticipated delivery date is not immediately known, an order acknowledgement will instead be emailed or faxed to you, acknowledging our receipt and processing of your purchase order. Once an anticipated delivery date is determined, an order confirmation will follow.

If you have not received an order confirmation or acknowledgement within 24 hours, please contact Customer Service, as we may not have received your purchase order.

TAX

All sales, use or other taxes (federal/state/local), all duties, import fees or other assessments, imposed on goods sold hereunder, or on the manufacture, sale or delivery thereof, shall be for your account. A Tax Exemption Certificate must be on file before you place an order. If we ship to any state other than your home state, you must also have a Tax Exemption Certificate for that state on file, or that state tax will be charged to your invoice. If you do not have a Tax Exemption Certificate on file, tax will be charged and added to your invoice. All refunds will be your responsibility to retrieve from the state. We will not issue a tax credit. It is your responsibility to update your Tax Exemption Certificate, as required by your home state.

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SHIPPING

Unless otherwise specified, standard shipments originating from North America and delivering within the contiguous U.S., are shipped FOB destination, Freight Prepaid, according to the Uniform Commercial Code, §2-319. Shipments originating from outside of the U.S. are shipped DDP, Freight Prepaid & Added, according to Incoterms 2000.

Title to, and the risk of any damage to or loss or shortage of such goods shall pass to you upon delivery of such goods by the carrier to you. Any claims for loss or damage should be duly noted in writing on the delivery receipt, and our Customer Service department notified. If the shipment is signed for by you in good condition, no claim may be filed with us or the carrier; hence you will be responsible for full payment of the goods.

We reserve the right to use the carrier of our choice when shipping freight prepaid. When you are responsible for freight and if you do not select a carrier, we will choose the most economical means of transportation for you and add the costs to your invoice.

Shipments may incur accessorial charges from the carrier. Please see your pricelist for an overview of the current accessorial charges. In the event of any general freight increase or any governmental ruling or regulation that results in increased freight costs, we may, without any advance notice, increase the amount of freight charged on the invoice to reflect such additional costs.

Estimated delivery dates are based on estimates at the time of quotation. We will use our best efforts to meet such delivery dates, but we shall not be liable for any direct or indirect costs or damages, including without limitation incidental or consequential damages, resulting from late deliveries. For orders with indefinite delivery dates, we will have the right to manufacture or procure the goods covered thereby and hold such goods for your account pending receipt of definite shipping instructions. Except as expressly provided otherwise herein, you agree to purchase, and will be charged for, all material ordered.

RETURNS

You will be responsible for inspecting all products and returning any such product prior to installation. Any return due to Forbo error or manufacturer's defect will be resolved by us with no surcharge to you, all freight paid by us. Forbo warehouse will contact you within 24-48 hours to arrange pickup. If you are not contacted, please contact Customer Service.

You must call your Customer Service Representative within 30 days of invoice date to request a Return Authorization. Your request will be approved or denied within 48 hours. Once issued, Return Authorizations are valid for up to 30 days after the date you call. Returns without an authorization number will be refused by us.

All returns must be in full cartons & full rolls; cut materials and special orders are non-returnable. You may be subject to a 25% restocking fee. All freight on returns must be prepaid. All returns must be packaged according to the specific instructions as listed on the Return Shipment Instructions. Failure to explicitly follow these packaging instructions can result in refusal of the return by us or no/reduced credit to be given. Refusal of material without proper authorization will be billed to your account at a minimum of 35% restocking fee plus outbound and return freight.

CONSTRUCTION NOTICE/NOTICE TO THE OWNER

Forbo reserves the right to request a Project Information Sheet for all project orders over \$10,000. Construction Notices will be filed according to your state laws. We do reserve our right to file a lien and/or bond claim if payment is not received according to your state laws. This is done to protect both your rights and ours, and is no way reflective of your credit standing.

INVOICING

Invoices are electronically emailed or faxed to you the evening that your order has shipped. This will be your original invoice; no further hard copy will follow. We do not mail our invoices. Statements are emailed or faxed on a monthly basis.

PAYMENTS

Invoices are payable in U.S. Dollars only. Remittance notices are to include your account number, invoice number(s) and discount deductions. Remittance notices can be sent via email to: credit.us02@forbo.com. We accept Visa, MasterCard, American Express, Money Orders, and Certified Checks. When paying with a credit card, cash discounts will not be given.

Remittance via Wire/ACH/EFT:

Wells Fargo
420 Montgomery St.
San Francisco, CA 94104
ABA No: 121000248; Account #: 2000022979463

Remittance via Check:

Forbo Flooring, Inc.
P.O. Box 60559
Charlotte, NC 28260-0559

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PAYMENT TERMS

Credit applications will be processed within 24 hours of receipt. Terms will be determined after all relevant information has been received and reviewed. We do not ship orders C.O.D. Upon credit approval, our standard payment terms are 2% 20, Net 30 days. CASH DISCOUNT IS APPLICABLE TO THE NET VALUE OF THE INVOICE ONLY. TO EARN CASH DISCOUNTS, PAYMENTS MUST BE RECEIVED BY THE ACTUAL DISCOUNT DUE DATE. REFERENCES TO "DAYS" MEAN CALENDAR DAYS. All payments, whether under the standard payment terms or otherwise, shall be considered received by us as follows: (A) for payments by check, when the check is received at our designated payment location, and (B) for payments by Electronic Funds Transfer, the business day on which the funds are immediately available to us.

If a credit balance exists on an account that is past due, Forbo has the right to apply towards the part due balance. If any amount is not paid when due, we shall have the right, in addition to any other remedy available to us, to charge interest on such overdue amount at a rate equal to the lesser of 1.5% per month or the maximum rate permitted by law. In addition, if it becomes necessary to place your account with an attorney or other agency for collection, you shall be responsible for all costs and expenses, including reasonable attorneys' and/or collection fees, incurred by us in connection therewith.

If you (i) become insolvent, or otherwise are unable to pay your debts as they become due, file or have filed against you a petition in bankruptcy, make any assignment for the benefit of creditors, or have a receiver or trustee appointed for you or your property, (ii) take action to liquidate or otherwise cease doing business as a going concern, (iii) undergo a change in ownership, (iv) fail to provide adequate assurance or security for credit extended, or (v) take any other action that we determine in our sole discretion adversely impacts the conditions under which credit was extended, then all amounts outstanding from you hereunder shall at our option become immediately due and payable.

RETURN CHECKS

A \$40.00 charge will be billed to your account for each return item due to non-sufficient funds. A \$40.00 charge will be billed to your account for each stop payment, unless suggested by Forbo Flooring, Inc., Credit Manager. If a return check is received from you, your account terms will immediately be changed to Cash in Advance. If a return check for Nonsufficient Funds is not replaced with a Money Order or Cashier's Check within 10 days of notification, your account will be closed and forwarded to a collection agency to pursue legal action.

LIMITATION OF LIABILITY/WARRANT DISCLAIMERS

THE REMEDIES PROVIDED HEREIN ARE YOUR SOLE AND EXCLUSIVE REMEDIES. WE SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON CONTRACT, TORT, OR OTHER LEGAL THEORY ARISING OUT OF THE SALE, INSTALLATION, SERVICE OR USE OF ANY PURCHASED PRODUCTS BY YOU OR ANY THIRD PARTY, EVEN IF WE HAVE BEEN ADVISED OF THE LIKELIHOOD OF SUCH LOSSES, AND IN NO EVENT SHALL OUR LIABILITY EXCEED THE UNIT PRICE OF THE PRODUCT. WE NEITHER ASSUME NOR AUTHORIZE ANY AGENT, EMPLOYEE, REPRESENTATIVE, OR ANY OTHER PERSON TO ASSUME ANY OTHER LIABILITY IN CONNECTION WITH THE SALE, DELIVERY, SERVICE, OR USE OF OUR PRODUCTS; AND UNLESS AN AFFIRMATION, REPRESENTATION, OR WARRANTY MADE BY AN AGENT, REPRESENTATIVE, OR EMPLOYEE IS SPECIFICALLY CONSENTED TO IN WRITING BY AN AUTHORIZED OFFICER, IT SHALL NOT BE ENFORCEABLE BY YOU. OUR FAILURE TO EXERCISE ANY OF OUR RIGHTS FOR ANY PERIOD SHALL NOT CONSTITUTE OR BE DEEMED A WAIVER OR FORFEITURE OF SUCH RIGHTS. EXCEPT FOR PRODUCTS FOR WHICH WE HAVE ESTABLISHED A SPECIFIC WRITTEN WARRANTY, THE PRODUCTS DESCRIBED HEREIN ARE SOLD BY US WITHOUT ANY GUARANTY AND /OR WARRANTY, ORAL OR WRITTEN. YOU ASSUME ALL RISKS, IF ANY, INCLUDING THE RISK OF INJURY, LOSS OR DAMAGE, WHETHER DIRECT, CONSEQUENTIAL OR INCIDENTAL, ARISING OUT OF THE USE, MISUSE, OR INABILITY TO USE THESE PRODUCTS. EXCEPT AS OTHERWISE PROVIDED HEREIN, ALL PRODUCTS ARE PROVIDED "AS IS" AND WE DISCLAIM ALL REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

CONFIDENTIALITY AND INTELLECTUAL PROPERTY

You and your personnel shall maintain in strict confidence, and shall use and disclose to a third party only as authorized by us in writing, all information received about our products or otherwise in connection with purchasing products from us. These restrictions shall not be construed to apply to (i) information generally available to the public; (ii) information released generally without restriction; or, (iii) information independently developed or acquired by you or your personnel without reliance in any way on other protected information. Notwithstanding the foregoing restrictions, you may use and disclose any information to the extent required by an order of any court or other governmental authority but only after we have been so notified and have had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure. We own or have the right to use the ideas, concepts, techniques, inventions, technologies, processes, methodologies ("Intellectual Property") for our products and their creation and all modifications, improvements or changes therein. You agree that you will not, at any time, without our prior written consent, disassemble or reverse engineer any of our Intellectual Property or otherwise use the Intellectual Property to develop similar products or processes or permit any third party to do any of the foregoing.

FORBO FLOORING, INC. TERMS AND CONDITIONS (Ctd.)

INDEMNIFICATION

You agree, at your own expense, to indemnify, defend and hold harmless Forbo, its officers, directors, employees, agents, affiliates, distributors and licensees from and against any judgment, losses, deficiencies, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with or arising from any claim, demand, suit, action or proceeding arising out of your purchase of our products or any service related thereto. Notwithstanding the foregoing, we shall have the right to assume control over the defense of any such claim, demand, suit, action or proceeding.

COMPLIANCE WITH LAW

You shall be solely responsible for the use and disposition of all purchased products, including, without limitation, the obtaining of all permits, licenses or certificates required for the use thereof. You represent and warrant that you shall use such products only in accordance with all laws, rules and regulations applicable thereto.

THESE TERMS AND CONDITIONS SHALL APPLY AND BE DEEMED INCORPORATED INTO ALL PURCHASE ORDERS WHICH YOU MAY PLACE WITH US, WHETHER OR NOT THESE TERMS AND CONDITIONS ARE EXPRESSLY REFERENCED THEREIN. THESE TERMS AND CONDITIONS CONSTITUTE THE ENTIRE AGREEMENT BETWEEN FORBO AND YOU AND SUPERSEDE ANY AND ALL PRIOR REPRESENTATIONS, AGREEMENTS OR UNDERSTANDINGS, WHETHER ORAL OR WRITTEN, RELATIVE TO THE GOODS DELIVERED HEREUNDER. NO COURSE OF DEALING OR USAGE OF TRADE SHALL BE RELEVANT TO SUPPLEMENT OR EXPLAIN ANY OF THESE TERMS OR CONDITIONS. NO MODIFICATION OF THESE TERMS AND CONDITIONS SHALL BE EFFECTIVE UNLESS MADE IN WRITING AND EXECUTED BY US. IN THE ABSENCE OF YOUR WRITTEN ACCEPTANCE OF THESE TERMS AND CONDITIONS, THE ACCEPTANCE BY YOU OF ANY GOODS DELIVERED HEREUNDER SHALL CONSTITUTE ACCEPTANCE OF THESE TERMS AND CONDITIONS. YOUR EXECUTION OF THESE TERMS AND CONDITIONS (OR ACCEPTANCE OF THESE TERMS AND CONDITIONS BY ACCEPTING ANY GOODS DELIVERED BY US) ARE DULY AUTHORIZED BY ALL NECESSARY CORPORATE ACTION ON YOUR PART. THESE TERMS AND CONDITIONS CONSTITUTE A VALID AND BINDING AGREEMENT ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.

MISCELLANEOUS

Force Majeure: We shall not be liable for any failure or delay caused by events beyond our reasonable control, including, without limitation, acts of God, riots, floods, natural disasters, sabotage, terrorism, utility or transmission failures, fire or labor disturbances.

Waiver and Amendment: These Terms and Conditions may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

Specific Enforcement: You agree that in the event of a breach or threatened breach of the covenants set forth in the Confidentiality and Intellectual Property sections hereof, we will be entitled to seek from any court of competent jurisdiction preliminary and permanent injunctive relief, which remedy will be cumulative and in addition to any other rights and remedies to which we may be entitled, without necessity of posting bond or other security. You acknowledge that a breach of any of the covenants set forth in such Section would result in immediate and irreparable injury to us.

Governing Law: These Terms and Conditions and all questions relating to their validity, interpretation, performance and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania (notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and not including the United Nations Convention on Contracts for the International Sales of Goods). The original of these Terms and Conditions have been written in English and we agree that the original English version shall be the sole legal and binding version hereof. We each hereby waive any right we may have under any other law to have this agreement written in another language.

Venue and Jurisdiction: Each of us (i) agrees that all actions and proceedings relating directly or indirectly to these Terms and Conditions shall be litigated in state or federal courts located Luzerne County, Pennsylvania; (ii) consents to the jurisdiction and venue of any such court and consents to service of process in any such action or proceeding by personal delivery or any other method permitted by law; and (iii) waives any and all rights either of us may have to object to the jurisdiction of any such court, or to transfer or change the venue of any such action or proceeding. WE FURTHER EACH WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO, THESE TERMS AND CONDITIONS.

Severability: The provisions of these Terms and Conditions shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

Assignment: You may not assign these Terms and Conditions or any rights or obligations hereunder without our prior written consent.