

GENERAL SALES TERMS AND CONDITIONS
of the
CENTRALE BOND VAN MEUBELFABRIKANTEN
[DUTCH FURNITURE MANUFACTURERS' ASSOCIATION]

CBM

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CLAUSE 1 QUOTATIONS

1. All quotations that do not specify a validity term are without obligation.
2. The models, illustrations, drawings and dimensions shown, added or announced with the quotations give a general representation of the items on offer. Changes to the construction that cause the actual design to deviate to some extent from the aforementioned models, illustrations, drawings or dimensions but that do not result in any essential change to the technical and aesthetic design of the items do not require the seller to pay the buyer any compensation and do not give the buyer the right to refuse to accept or pay for the items delivered.
3. Illustrations and drawings that the seller has been asked to provide remain the seller's property at all times and must be immediately returned to the seller at the seller's request, failing which the holder owes the value of such illustrations and/or drawings as determined by the owner. This provision also applies if the seller has explicitly stated in writing that it wishes the illustrations and/or drawings to be returned.

CLAUSE 2 ACCEPTANCE OF ORDERS

1. If this is explicitly stipulated on a case by case basis, all contracts of purchase and sale are entered into by the seller under the suspensive condition that information it obtains demonstrates that the buyer is sufficiently creditworthy.
2. If the seller has not notified the buyer in writing within 25 working days after entering into the contract that the contract cannot be performed because of insufficient creditworthiness on the part of the buyer, the contract becomes final, on the understanding that the seller may exercise its right as described in the third subclause at any time.
3. If a buyer is in default to the seller for the settlement of any contract, the seller is authorised at all times, even after having started performance of an order fully or in part, to demand that the buyer furnishes security for satisfaction of its payment obligations before the seller proceeds to delivery.
4. Orders taken by representatives are binding for the buyer and seller on the understanding that the seller has the right to notify the buyer in writing within 15 working days that it cannot perform the order, or cannot perform it as is, if the unchanged performance of an order received via a representative is impossible because of circumstances that this representative could not reasonably have been aware of, in which case the order is regarded as cancelled unless the buyer and seller yet reach agreement on it.
5. Changes to and cancellations of orders initiated by the buyer do not take effect until the seller gives its written approval, notwithstanding the provisions concerning this in clause 5. If the seller does not respond within 15 working days after the request for a change or cancellation, the seller is regarded as having agreed to such.
6. If the seller has issued a written order confirmation the content of which deviates from what was ordered in writing by the buyer or which contains a different delivery period from that desired by

the buyer, the seller must explicitly point out these deviations in the order confirmation or in a separate notice. If the buyer does not respond to this in writing within 10 working days, the purchase contract is regarded as established.

7. If an order confirmed by the seller with reference to the agreed price and delivery period is cancelled by the buyer, the seller will charge a fee for costs, provided it has agreed to the cancellation.
8. For orders with an invoice amount of less than €230, the seller will charge a fee because of the higher costs. If the buyer and seller have not made any agreements in this respect, a fee of €12 applies.
9. If a contract of purchase and sale is established after a buyer's private client has visited the seller's showroom, the seller can charge the buyer a fee for performing this service.
10. If the seller decides, at the buyer's request, to upholster the furniture ordered by the buyer using upholstery material provided by the buyer (so-called own material) or using upholstery material that is not kept in stock by the seller but for which he does have samples available (so-called commission material), the contract of purchase and sale takes place under the following terms and conditions.
 - a. Own material must be delivered to the seller carriage paid.
 - b. The seller will not accept a specification from the buyer for an order from a wholesaler unless the seller also keeps the same material on commission.
 - c. The buyer must provide its own material with a label with its name and address, the order number and the item number.
 - d. If the buyer stipulates special requirements in terms of the direction of the weave or the pattern for the processing of own material it has provided, without providing clear processing instructions, the seller does not accept any liability for this.
 - e. Reminders of own material supplied can never be reclaimed or be eligible for reimbursement unless otherwise agreed in writing.
 - f. For own material that is difficult to process (very loosely woven material, design to be worked on pattern, etc) as well as for leather and artificial leather on textile basis, as well as for upholstering in two colours, if the upholstering involves higher processing costs, this additional upholstering cost will be charged to the buyer after it has been informed about this and has given its consent.
 - g. For furniture that is upholstered using own material or commission material, the delivery period does not start until the material has been received. The seller will notify the buyer as soon as it has received the material.

CLAUSE 3 SHIPMENT AND DELIVERY

1. If the items are sent using the seller's means of transport or by carriers commissioned by it, the delivery will occur by offering of the items on ground floor level at the buyer's warehouse. In that case the items will be transported at the seller's risk until the moment of delivery.
2. In all other cases, delivery occurs as soon as the items have been surrendered at the railway station or loading location of another means of public transport located nearest to the factories or warehouses of the seller. In these cases the items are always transported at the buyer's risk, even if stated otherwise on the transport documents, which also include the 'insufficiently packed' declaration required by third parties, unless the buyer lodges a complaint with the carrier immediately after receipt. Unless the items are picked up by the buyer from the seller's warehouse, they will travel with a means of transport that is locally commonly used and chosen by the seller. If the buyer requests a different form of transport, the additional costs involved are at its own expense.

3. All items are transported at the buyer's expense unless the freight costs have been calculated into the price.
4. If the buyer refuses to immediately accept items that are offered to it correctly and undamaged, any freight costs, storage costs, etc arising from this will be at its expense.

CLAUSE 4 RETENTION OF OWNERSHIP

1. Delivered items remain the exclusive property of the seller as long as the buyer has not paid the claims concerning the consideration for:
 - items delivered or still to be delivered by the seller to the buyer pursuant to the contract, or
 - work or services also performed or still to be performed for the buyer pursuant to such a contract, as well as
 - in relation to the claims due to the failure to comply with such contracts.The seller also acquires (partial) right of ownership in relation to these items as security for all outstanding claims on the buyer, as well as in relation to the items to which the seller's right of ownership becomes lost as the result of treatment/processing, accession, specification or in some other way. As soon as the buyer fails to comply with one or more of its obligations to the seller, all claims on the buyer become immediately and fully due and payable and the seller has the right to enforce its rights stemming from its retention of ownership, without any notice of default or court intervention.
2. Before the transfer of ownership referred to, the buyer is not authorised to sell, deliver or otherwise dispose of the delivered items other than in accordance with its normal business operations and the normal use of the items. This authority lapses at the moment the buyer is granted (provisional) moratorium on payments or declared bankrupt. The buyer may in no event have the item falling under the retention of ownership serve as security for claims of third parties.
3. Before the transfer of ownership referred to, the seller has access at all times to the items that belong to it, wherever these are located.
4. In the event the provisions of this clause are violated, the buyer will owe a penalty of 10% of the claim outstanding at the time of the violation, without prejudice to the provisions of clause 10, subclause 6.
5. The buyer may agree with a third party that the latter will pay the purchase price for it and in exchange be subrogated to the seller's claim on the buyer. In the event of payment by a third party, who is subrogated to the seller's claim on the buyer, the retention of ownership as described in this clause does not lapse.
6. In the event of subrogation as referred to in subclause 5, the seller will transfer the retained ownership of the items for which the third party has paid the purchase price to the subrogated third party. From the moment of subrogation, the buyer holds the items described for the subrogated third party.
7. Subrogation to the claim by and transfer of the retained ownership to a third party as referred to in subclauses 5 and 6 does not alter the fact that the buyer can confront the seller in the event the seller fails in any way to comply with the contracts concluded between them.

CLAUSE 5 THE DELIVERY PERIOD

1. The delivery period cited is an approximation. The seller undertakes to meet the delivery period cited as much as possible, but is not liable for any consequences of any such failure that it could not reasonably have prevented. Such failure to meet the delivery period does not require the seller to pay any compensation nor does it give the buyer the right to dissolve the contract.

2. If it was explicitly stipulated when the contract was entered into that the delivery must take place on or before a particular day - if the delivery period therefore constitutes an essential component of the contract - any consequences for the buyer of the seller's failure to meet the delivery period are at the seller's expense, without prejudice to the buyer's right to dissolve the contract.
3. If the presumed delivery period referred to in subclause 1 of this clause is not met, the seller will be given a further time period in which to yet deliver. This further period is equal to the original presumed delivery period with a maximum of one month. If this further delivery period is also not met, the buyer has the right to dissolve the contract without notice of default or court intervention and/or to demand damage compensation.

CLAUSE 6 COMPLAINTS

1. Any complaints must be brought to the seller's attention in writing within 1 year after the items have been delivered. On penalty of inadmissibility, the complaint must, however, be filed in writing immediately after the circumstances that prompted the complaint have come to the buyer's attention. Every delivery should be regarded as a separate transaction, that is to say, complaints that relate to a particular delivery have no effect on previous or subsequent deliveries.
2. On penalty of the inadmissibility of any complaints, the buyer must check the items immediately upon receipt for visible defects.
3. Complaints that because of their nature or by custom cannot be filed within the stipulated period of 1 year after the delivery of the items can still be filed with due observance of the provisions of subclauses 1 and 2.
4. Complaints about items delivered by the seller that have already been sold on by the buyer will only be handled if they have been submitted in writing by the buyer, preferably using a fully completed furniture service form provided by the Dutch Furniture Manufacturers' Association (CBM).
5. If a buyer has submitted a complaint on time, the payment period concerned will be extended - if it has not yet been exceeded - until the dispute is settled, or if this is not possible, until a court decision has been handed down.
6. In the event of an alleged attributable failure, or in other cases, the buyer may only return the items to the seller after the seller has given its written permission for this. If the seller does not respond within 10 working days after a written request to this end from the buyer, the seller is regarded as having given its permission. If the seller does not give permission, it must provide arguments for its refusal. Return shipments without such written consent from the seller do not relieve the buyer of its obligation to pay the invoice amounts, and any costs arising from this are at the buyer's expense.
7. No repairs of any nature whatsoever and for whatever reason made to delivered furniture by the buyer or on the buyer's instructions will be reimbursed by the seller, unless the seller has given its advance written permission for the performance of these repairs.

CLAUSE 7 GUARANTEE

1. The seller grants a guarantee to the buyer and the first user for the furniture delivered by the seller, counted from the day of the invoice addressed to the buyer, insofar as defects that can be attributed to the seller are involved and which occur with normal use, on the basis of the following depreciation procedure:
 - within 1 year after invoice date:
 - the seller will pay in full the costs of the repair or replacement, including freight charges within the Netherlands;
 - within 2 years after invoice date:

the seller will pay 2/3 of the costs of the repair or replacement, including freight charges within the Netherlands;

- within 3 years after invoice date:

the seller will pay 1/3 of the costs of the repair or replacement, including freight charges within the Netherlands.

The aforementioned time periods may be exceeded by a maximum four months if the furniture was put into use after the invoice date.

2. Inexpert treatment of or inadequate care for the delivered items rules out any complaint and causes the guarantees to lapse, if and insofar as the complaint is related to that inexpert treatment or inadequate care.

CLAUSE 8 LIMITATION OF LIABILITY

1. Insofar as permitted by law, the seller's liability for damage caused by defects in the item(s) delivered is limited to the net invoice amount of the delivered item(s), unless the consequences of this exoneration can be demonstrated to be unreasonably onerous for the buyer.
2. The seller is never liable for indirect damage, including damage suffered by third parties or loss of income, unless the consequences of this exoneration can be demonstrated to be unreasonably onerous for the buyer.

CLAUSE 9 NON-ATTRIBUTABLE FAILURE

1. If the seller is prevented from performing the contract as the result of mobilisation, danger of war, war, strikes, lock-outs or as the result of a non-attributable failure of some other nature, the seller is not bound to any time period and is also authorised not to perform the contract it has concluded, fully or in part, without any judicial measure being required. The seller must notify the buyer immediately about the occurrence of the circumstances of the non-attributable failure.
2. If a non-attributable failure prevents the buyer from performing the contract, the result is of course that it cannot be forced to comply with it. The buyer must notify the seller immediately about the occurrence of the circumstances of the non-attributable failure.
3. In all cases of non-attributable failure, the other party will have the right to dissolve the contract if it cannot be reasonably expected to continue the contract.

CLAUSE 10 PAYMENT

1. All payments must be received by the seller net and in cash, without any set-off, within two weeks after the invoice date. If the delivery takes place after the invoice date, the date of delivery serves as the invoice date.
2. Any credit notes will be offset with the next invoice, but no later than within one month.
3. From the moment that payment must have taken place, the buyer owes an interest of 1% of the invoice amount for every month or part thereof by which the due date has been exceeded, up to a maximum of 10% per year.
4. The buyer is in default by the mere expiration of the payment term or the failure to comply with any obligation, though the seller will send the buyer one written reminder before taking further measures.
5. In the event any amount due is not paid, payments are suspended, the buyer applies for a moratorium on payments, the buyer applies for bankruptcy or the buyer's business is liquidated, the seller has the right to dissolve the contract or the part thereof that has not yet been performed,

without further ado and without court intervention being required, and to recover the items that have not yet been paid for, without prejudice to its right to compensation of any loss that may arise for it as a result of the above. In such cases any claim that the seller has on the buyer is fully and immediately due and payable.

6. As a result of the mere establishment of the purchase contract, the buyer is required to pay all extrajudicial costs, including the costs of legal assistance and advice prior to the proceedings, in connection with the buyer's failure to comply with any obligation towards the seller, regardless of the interest referred to in subclause 3 of this clause. The extrajudicial collection costs amount to a maximum of 15% of the amount claimed, with a minimum of €12.
7. If payment has not been made on the due date, the costs referred to in subclause 6 include the postage for reminder letters and the costs charged by parties engaged by the seller to recover the debt, etc.

CLAUSE 11 APPLICABLE LAW AND COMPETENT COURT

1. All offers, contracts and the performance thereof are exclusively governed by Dutch law.
2. All disputes will be settled by the court in the district where the seller has its registered office, insofar as they go beyond the jurisdiction of the subdistrict court judge.