

GENERAL SALES CONDITIONS

1. TERMS AND CONDITIONS

1.1 - In the course of the business relationship with FENABEL S.A. (hereinafter FENABEL), the Client accepts, without reservations, these Terms and Conditions, which shall prevail over the terms found in the Client's orders or correspondence, unless otherwise accepted by FENABEL in writing, safeguarded by the terms of the Law.

1.2 - These Terms and Conditions repeal the previous ones and are subject to alteration, suspension – partial or total – or complementation, without previous notice and/or any formal written document being issued by FENABEL.

1.3 - FENABEL is the only entity entitled to alter, suspend – partially or totally – or complement the provisions presented in these Terms and Conditions.

1.4 - Any business transaction between FENABEL and the Client is subject to the Laws of the Portuguese State, regardless of the domicile of the client. The District Court of Paredes (Portugal) is the competent authority to resolve the subjects between the two parties.

2. PRICES

2.1 - The prices quoted in the sales literature (technical specifications) are not binding. These prices may be altered without previous notice and / or any formal written document being issued by FENABEL.

2.2 - The prices quoted in the sales literature correspond to Incoterm EXW (Ex-Works - Incoterms 2010) – Exiting the premises of FENABEL, the goods will be handed over to the client, who will assume the costs of transportation.

2.3 - The prices are quoted in Euros (EUR) and exclude Value Added Tax (VAT), which will be paid according to the rate in force in Portugal, at the date of issue of the invoices. In case of export to a VAT taxable person acting as such, duly registered for VAT in another Member State of the European Union, the respective commercial transaction is exempt from this tax. If the Client is registered for VAT purposes, he must use his ID number to make the purchase, in order to be covered by a tax regime of intra-Community acquisitions of goods, according to the Law.

Transactions outside the European Union are exempt from VAT under the current legal framework. The Client is the only responsible for the communication of his tax data to FENABEL.

2.4 - The prices are only considered valid when displayed on the Proforma Invoice/Confirmation order, issued by Fenabel, referring to the respective order.

3. QUOTATIONS

All quotations submitted by FENABEL are valid for 90 days.

4. SAMPLES

The samples are produced by formal order and must be charged. A credit note of the sample will be issued when an order of a minimum of 24 units of the same model is placed, within 120 days after issue of the invoice of the sample. This credit applies only to chairs and armchairs.

5. ORDERS

5.1 - Orders should be placed in writing by the responsible of the purchasing entity and are subject to approval by FENABEL'S sales department.

5.2 - After receiving the order form, FENABEL will issue a Proforma Invoice / Order Confirmation, indicating the characteristics of the product, exact prices and the specific terms of the transaction. The Client is responsible for the verification and validation of this document, providing information such as model, dimensions, quantity, type of wood, colour, fabric, foam, gliders, delivery time, payment terms, etc.

5.3 - The Pro-Forma Invoice / Order Confirmation needs to be returned to FENABEL, duly signed and stamped, within 2 workdays of its receipt. After this period, if no confirmation is given by the Client, FENABEL considers the respective order as accepted.

5.4 - The orders involving prepayment will only be scheduled for production after that payment is received.

5.5 - The orders will be produced and charged in accordance with the specifications indicated in the Proforma Invoice/Order Confirmation.

5.6 - The orders involving the use of fabrics / colours provided by the Client - COM – will only be scheduled for production after receipt of all of the materials.

5.7 - The delivery dates are given for information purposes only. FENABEL declines any liability for delays in delivery of the merchandise, when such is the result of force majeure or un-

foreseeable circumstances which preclude the manufacture of products. For this reason, the breach of terms of delivery shall not justify cancellation of the order by the Client, nor shall it serve as a ground for claiming any compensation.

5.8 - If, for any reason, a delay or non-delivery of goods, a defect of quantity, species or any inaccuracy in the description of goods on the Pro-Forma Invoice, although because of fault or neglect of FENABEL, responsibility for this will not cover, in any case, the indirect damage suffered by the Buyer, such as the loss of a resale transaction, or other similar business profits or lost profits.

5.9 - The order is only valid after receiving the advanced payment. In case the client doesn't meet the conditions to receive or load the material up to 30 days after the agreed loading date, the full payment of the order must be made on the expiration of the 30 days. FENABEL does not have a storage space for the final product. If the Client does not accept to collect or receive the goods on the date on which these are ready for shipment, FENABEL reserves the right to transfer the product to an external warehouse and store them on the Client's own account, cost and risks.

Following the 30 days after the agreed loading date, a daily feed of 2€/m3 will be charged for storage of the goods.

6. CHANGES & CANCELATION

6.1 - Alterations to confirmed orders should be communicated in writing and are subject to approval. FENABEL reserves the right to charge administrative and labor costs as well as materials that had already been purchased at the time of the request.

6.2 - The request for cancellation of the order shall be communicated in writing to FENABEL within 4 business days, after issue of the respective Proforma Invoice.

Cancellations will not be accepted from the moment manufacture starts on, or after the fabrics have been cut and raw materials have been ordered.

6.3 - The failure to expressly reject this order, within 48h, implies the tacit acceptance of all its terms and conditions.

7. SPECIFICATIONS

7.1 - The dimensions and specifications of the products displayed on the sales literature are approximate.

Changes to the models in order to improve their design and construction are periodically made. For this reason, FENABEL accepts no claim for changes, when they are made for improvement of products, also reserving the right to discontinue any product without previous notice.

7.2 - The fabrics shown in sales literature correspond to samples of material and are merely decorative since FENABEL is not a fabrics manufacturer. Fenabel disclaims any liability for the resistance, quality, differences in the colour lots, fire retardancy and anti-stain performance, waterproofing and maintenance of fabrics supplied either by FENABEL or by the Client.

FENABEL is not responsible either for any disruptions of stock or cessation of production of different fabrics or materials.

FENABEL reserves the right to change the shape of the upholstery, depending on the type of fabric to be applied, may it be necessary to add pleats or add / change seams.

7.3 - The wood finish can be changed by FENABEL due to technical or practical constraints, without prior notice. Colour samples are merely indicative; the final product can differ from these.

FENABEL accepts no responsibility for colour variations resulting from the application of finishes in different materials such as wood and veneer. When orders with this specificity are intended to complement previous orders, the Client is responsible for providing the samples, in order to avoid colour differences between the products supplied in different periods.

7.4 - For technical, economical and / or security reasons, some products - eg tables / sofas relax - will be delivered disassembled. FENABEL disclaims any responsibility for consequences resulting from defective assembly of these products.

8. RISK AND RESPONSABILITY OF SHIPMENT

8.1 - The weights and cubic meters shown on sales literature may vary due to product improvements or the needs of the packaging and logistics department.

8.2 - The goods sold by FENABEL are, by default, issued in accordance with the Incoterm EXW (Incoterms 2010) – FENABEL is only responsible for the costs and risks of packaging on its premises. The risk of accident, damage, loss, and the associated transportation costs, customs fees, taxes, recycling of used packaging and other related costs are responsibility of the Client only.

8.3 - FENABEL may deliver an order in accordance with another incoterm if expressly agreed with the Client and confirmed by written document. However, the Client is responsible for reimbursing

the costs associated with this procedure, on settlement of the value of the order. FENABEL undertakes to discriminate these costs in the respective invoice. These costs do not include unloading, unpacking or installation.

8.4 - By statutory requirement, all pallets leaving FENABEL have treatment with heat shock, and have the proper markings proving this. If, during transportation, the material is transferred to other pallets, FENABEL has no responsibility of noncompliance with this measure.

It is mandatory that all pallets supplied by the Client have the same treatment and marking. Failure to comply with this measure implies fines of more than 10,000.00, imposed by the relevant government department.

8.5 - When transportation is hired by FENABEL, this assumes no responsibility for the costs, delays or deadlines established by the carrier.

8.6 - All products shipped by FENABEL are carefully inspected and packaged. The client must examine all merchandise before giving an acceptance. If there is any visible damage to the packaging such as tears, dents and cuts, a note should be placed in the shipping documents before they are signed. Transportation insurance only covers the furniture that was given as a reserve in CMR.

The occurrence must be reported to FENABEL within 3 business days after the receipt of the goods, in order to the shipping insurance being activated. If the transportation document has no note about these goods, we will not accept any further claims.

8.7 - Any discrepancies between the client's order and the received goods – quantities, colors and fabrics – may be communicated to FENABEL in writing, within 8 working days from receiving those goods. FENABEL does not take responsibility to repair or replace the goods of which we do not receive the claim after this period of time. The claim shall only be handled after receiving photographs of the claimed goods. If the claim cannot be visualized through the photographs, we reserve our right to receive the goods for an evaluation.

8.8 - No agent, representative or employee of FENABEL has the individual legitimacy to give warranty for the traded goods, unless a written permission is provided by FENABEL.

8.9 - In case of acceptance of the complaint, FENABEL will be the sole responsible for the choice to repair or replace the goods. The replacement will only be due if the repair is not technically or economically sustainable. If products have defective manufacturing, the Client agrees on not using them, or will lose the legitimacy to make the respective claim.

8.10 - The return of merchandise must be formalized by the Client in writing but it is subject to express authorization by FENABEL. All the costs of the return must be borne by the client.

8.11 - In case of acceptance of the return of the goods, they should be clean, should be sent in the original container and in faultless conditions, without any kind of damage.

9. PAYMENT CONDITIONS

9.1 - Orders invoiced by FENABEL must be paid by bank transfer via SEPA, with the corresponding bank proof being sent to FENABEL.

9.2 - The decision about the terms of payment is made solely by FENABEL.

9.3 - The right to ownership of the materials provided by FENABEL will only be transmitted to the Client with the full payment of the invoice. Until that moment, the Client shall not grant the use of these materials, charge them, dispose them or move them without obtaining a prior authorization from FENABEL for this purpose.

9.4 - In the case of invoices, checks or bills which have not been paid within the stipulated terms, FENABEL reserves the right to charge a supplementary fee of default interest for commercial loans in force at the date of issue of the documents, in accordance with the provisions of the Law. Fenabel may also require the payment of damages and / or losses arising from the breach of the terms of payment.

10. WARRANTY

10.1 - The products have a 2 year warranty for manufacturing problems, under normal condition of use. The warranty starts from the date of invoice.

10.2 - The warranty covers only manufacturing defects, including:

- A)** Unsticking;
- B)** Incorrect drilling or application of dowel pins;
- C)** Wrong wood finish;
- D)** Wrong fabric colour;
- E)** Wrong foam;
- F)** Unsticking piping ;
- G)** Badly sewn seams.

10.3 - The warranty is NOT applicable if:

10.3.1 - You do not comply with the recommendations for the use and maintenance of the furniture:

- A)** Use the furniture in places with high humidity and / or high temperatures;
- B)** Use the furniture outside (exposed to water and the sunlight);
- C)** Use the furniture with and without wheels on uneven pavement;
- D)** Use cleaning agents and / or other inappropriate chemicals;
- E)** Use the furniture abusively (climbing, kneeling, jumping, dropping, hitting);
- F)** Use dyed fabrics, denims, newspapers, magazines in contact with white or light upholstery;
- G)** Use plastic or metal glides over wooden floor;
- H)** Place inappropriate objects (knives, keys, cutlery, bags, locks/ trouser buttons, claws of animals, etc.) on the furniture;
- I)** Do not periodically check the tightening of the screws;
- J)** Do not periodically check the condition of glides.

10.3.2 - There are changes in the furniture resulting from the continuous process of product improvement, such as:

- A)** Alterations in dimension;
- B)** Alterations to the visual aspect (eg placing stretchrails, placing cover strips on battens, changes to the height of upholstery, either the back and / or seat);
- C)** Changes of the wood finish due to technical or practical constraints;
- D)** Changes in the upholstery (eg double piping, seams, webbing);
- E)** Wrinkles or pleads due to the production process and application of stretch or round shapes fabrics;

10.3.3 - There are changes in the furniture as a result of nature:

- A)** Variation of shade and texture originated by the natural characteristics of the wood / veneer;
- B)** Changes in fabric colours due to the use of different lots;
- C)** Opened joints resulting from differences of temperature (weather changes) throughout the year;
- D)** Defects in the real leather such as scars, scratches, stains etc., caused by the natural condition of the leather;
- E)** Store the furniture in cartons, in moist areas, over long periods of time.

10.3.4 - There are flaws in the quality of fabrics, in their resistance, fire-retardant or anti-stain traits, transpiration and waterproofing. Fabric provided by the client or by FENABEL is a responsibility of the fabrics' manufacturer.

10.3.5 - Use the bar stools without the stainless steel protection.

10.3.6 - The information about which side should be used is not on the fabric.

10.3.7 - The real leather or velvet is not delivered in rolls.

10.3.8 - There is damage caused by shipping, mishandle while discharging, incorrect assembly and installation.

10.3.9 - The merchandise is not checked immediately upon receipt.

10.3.10 - The claim is not sent on the stipulated period of 8 days.

10.3.11 - The furniture is repaired by personnel not authorized by Fenabel.

10.3.12 - Defects or wear caused by the normal use of the product.

10.3.13 - Force Majeure - strikes, storms, fires, wars, etc.

11. INTELLECTUAL PROPERTY

11.1 - Fenabel holds the exclusive intellectual property rights over the models developed by them. These rights also include the prototypes based on these models.

11.2 - Orders for products which are not part of FENABEL'S catalogue only oblige FENABEL to deliver the goods in accordance with the technical and / or visual specifications provided by the Client, its agents or representatives. In no case is the responsibility of FENABEL to compensate the Client and / or other parties (owners, architects, designers, prescribers, etc.) for issues related to intellectual property rights. The Client shall be liable even for authoring and applying techniques and / or visual specifications for the product concerned, indemnifying and exempting FENABEL from any claims, liabilities and expenses (including costs and attorneys' fees) in everything related to such violation.