

General Terms of Sale and Delivery

(effective January 1st, 2008) for Members of the Association of Danish Furniture Industries

Application

The following General Conditions of Sale and Terms of Delivery shall apply to all offers, sales and deliveries by the Vendor - also in cases where the Buyer stipulates other terms and conditions. Any deviation from the following Conditions of Sale and Terms of Delivery shall only be valid subject to the written consent of the Vendor.

Article 1 Delivery clauses

Any agreed terms of delivery shall be construed in accordance with the Incoterms applying at the time of conclusion of the contract.

Where no special term of delivery has been stipulated, the delivery shall be deemed to have been made "ex works".

Article 2 Insurance

Unless otherwise agreed, the Buyer shall take out a transport insurance policy.

Moreover, the Buyer shall undertake to keep the goods insured.

Article 3 Delays by Vendor

If the Vendor becomes aware that he will be unable to meet the stipulated time of delivery, or that a delay on his part is likely to occur, he shall without undue delay notify the Buyer in writing thereof stating the cause of the delay and, wherever possible, the time when delivery is likely to take place. Where a delay in delivery is due to any of the circumstances set forth in Article 9 hereof ("force majeure") or to acts or omissions on the part of the Buyer, the time of delivery shall be postponed to such an extent as is deemed to be reasonable, having regard to the circumstances.

This provision shall apply whether the cause of delay occurs before or after the end of the stipulated time of delivery.

The Buyer shall not be entitled to cancel the contract owing to delays in delivery attributable to the Vendor except where such delay exceeds three (3) months.

The Buyer shall not be able to claim compensation owing to delays on the part of the Vendor.

Article 4 Delays by Buyer

If the Buyer becomes aware that he will not be able to take delivery of the goods by the stipulated date – or if a delay on his part is likely to occur - he shall forthwith notify the Vendor in writing, stating the cause of delay and, wherever possible, the time when receipt is likely to be able to take place.

Notwithstanding that the Buyer fails to take delivery of the goods at the stipulated time, he shall make any payment contingent upon delivery as if delivery of the relevant goods had taken place.

The Vendor shall make sure that the goods are stored for the Buyer's account and at the Buyer's risk. The Vendor shall at the Buyer's request insure the goods for the Buyer's account.

The Vendor shall have the right to call upon the Buyer in writing to take delivery of the goods within a time-limit of fifteen (15) days.

Where the Buyer fails to do so within the same time-limit for reasons that are not attributable to the Vendor, the Vendor shall be entitled to cancel the contract by notice in writing to the Buyer, for such part of the goods ready for delivery as was not taken delivery of owing to the Buyer's delay. In such case, the Vendor shall have the right to demand compensation for any loss he has incurred from the Buyer's failure to perform the contract.

Article 5 Payment etc.

Unless otherwise agreed, the purchase sum shall be payable in cash upon delivery of the goods.

Where the Buyer fails to effect payment punctually, the Vendor shall be entitled to demand penal interest as from the due date at the rate of 1.5% per month or part thereof.

Where the Buyer wishes to return goods delivered, such return shall be made only as per prior agreement with the Vendor. Returned goods shall be sent carriage paid.

In the event of non-payment, the Buyer (debtor) shall pay all costs of collecting and recovering the debt, inclusive of charges and fees for lawyers, debt-collection agencies etc.

Article 6 Ownership reservation (Retention of title)

The goods sold shall remain the Vendor's property until payment has been made in full.

As for sales to Germany, however, the retention of title stipulated in the enclosed addendum D98 («Nachtrag zu den Allgemeinen Verkaufs- und Lieferungsbedingungen» – available on demand) shall apply.

Article 7 Defects

The Vendor agrees to make good all such defects as are the result of faulty design, material, or workmanship by carrying out repairs or replacement delivery of the goods in accordance with the following paragraphs, but the Vendor shall incur no liability to pay compensation as a result of such defects.

As far as wood is concerned, minor knots and differences in shade and structure shall not be regarded as defects. As far as leather is concerned, growth marks shall not be regarded as defects, but as a sign of genuineness.

The Vendor's liability shall comprise only such defects as appear within twenty-four (24) months from the date when the goods were delivered to the Buyer.

The Buyer shall notify the Vendor in writing of any defects without undue delay after such defects have appeared.

Article 8 Product liability

The Vendor shall be liable for damage to property caused by the products only where it can be shown that such damage was due to fault or negligence on the part of the Vendor or his employees. Under no circumstances shall the Vendor be liable for loss of profits, loss of earnings, or any other consequential financial loss.

In the event that the Vendor incurs products liability towards any third party, the Buyer shall indemnify the Vendor to the same extent as the Vendor's liability is limited according to the above. If any third party raises a claim for compensation against the Buyer by reason of a product damage, the Buyer shall forthwith notify the Vendor to this effect.

Article 9 Force majeure

The following circumstances with the Vendor shall give rise to exemption from liability if they prevent the performance of the contract or render such performance unreasonably onerous: Labour conflicts and any other circumstance beyond the control of the Vendor, such as but not limited to fire, war, mobilisation or unforeseen military call-ups of a corresponding scale, requisitioning, seizure, foreign exchange restrictions, insurrection and civil unrest, lack of transportation except where such lack was foreseeable by the Vendor, general scarcity of goods, and defects in or delays of deliveries from sub-suppliers due to any of the factors set forth in this paragraph.

Circumstances of the type mentioned above, which had occurred prior to the conclusion of this Agreement, shall exempt the Vendor from liability only where their influence on the performance of the contract could not be foreseen by the Vendor at the time when the contract was made.

Where the Vendor intends to invoke any exemption-from-liability grounds set forth in this Article, he shall without undue delay notify the Buyer in writing of such grounds.

Notwithstanding any stipulation in these Conditions of Sale and Terms of Delivery, either of the parties may cancel the agreement by notice in writing to the other party where the performance of the agreement is prevented for more than six (6) months by one of the events set forth in this Article.

Article 10 Disputes

All and any disputes arising out of or in connection with this contract shall be settled according to Danish law.

Any legal action shall be instituted at the Vendor's or Buyer's venue, at the Vendor's option.