

JAKOBSEN HOME.

General Terms and Conditions of Sales

Valid from 1 January 2021

1. General provisions

- 1.1. These General Terms and Conditions of Sales (hereinafter – **Terms & Conditions**) shall apply for performance of orders, that have been placed by business client (hereinafter – **Buyer**) and accepted / confirmed by UAB “JAKOBSEN HOME CO” (hereinafter – **Producer**) (hereinafter each individually – **Party**, together – **Parties**) on production and delivery of upholstered furniture (hereinafter – **Goods**) to the Buyer.
- 1.2. Each order, placed by the Buyer to the Producer, shall be held as an offer to purchase the Goods subject to these Terms & Conditions unless the Parties negotiate and conclude individual written agreement on sales of the Goods.
- 1.3. Before the placement of the first order, the Producer shall demand the Buyer to get acquainted with Terms & Conditions and to confirm by any means of communication to the Producer, that it accepts these Terms and Conditions. Such acceptance of Terms and Conditions is valid throughout the whole course of Parties business relations.
- 1.4. The Producer is entitled to unilaterally change Terms & Conditions. The Buyer shall be asked to get acquainted with new Terms & Conditions and confirm its acceptance in the same way as it is fixed in art. 1.3.

2. Confirmation of Orders

- 2.1. Goods are produced and sold by the Producer on the ground of orders, placed by the Buyer, using any means of communication. The order placed by the Buyer shall be accepted / confirmed by Producer within 5 working days.
- 2.2. The Producer may accept or reject any order at its discretion. An order shall be held not accepted, and no binding obligation to sell any Goods shall arise, until the Producer issues to the Buyer written acceptance of the order including confirmation of the order details.
- 2.3. The confirmed orders are inseparable part of the Terms & Conditions. By confirming the order, the Producer shall commit to execute it under these Terms & Conditions, to the extent they do not contradict the terms of the order.
- 2.4. The Buyer is entitled to amend or cancel an order or contact the Producer with corrections to the order confirmation, within 2 working days from the confirmation of the order, unless the Producer agrees with other terms.

3. Terms of Delivery

- 3.1. The specific delivery time for each order shall be agreed before order confirmation. If during the execution of the confirmed order the Producer shall determine that the ordered Goods cannot be produced and delivered on the agreed delivery time due to any external situation, which cannot be controlled by the Producer (such as delay of fabric, other raw materials and etc.), the Producer shall inform the Buyer and the delivery time for the Goods shall be extended accordingly.
- 3.2. The Parties agree that if the final delivery times have been exceeded, the following penalties, calculated from the total price of the ordered Goods, might be imposed to the Producer:
 - 3.2.1. If final delivery time is exceeded by not more than 5 working days: no penalty.
 - 3.2.2. If delivery time is exceeded by not more than 6-10 working days – 10% penalty;
 - 3.2.3. If delivery time is exceeded by more than 11-20 working days – 15% penalty.
 - 3.2.4. For non-delivery and delivery, which exceeds 20 working days – 20% penalty.
- 3.3. The Buyer irrevocably agrees that the Producer's liability for late delivery or non-delivery is limited by the amounts specified in art. 3.2. Additionally, if the delivery is late more than 10 working days, the Buyer is entitled to withdraw from the order.
- 3.4. Unless different agreement is made during the confirmation of the order, the Producer shall commit to transfer the Goods under the terms EXW (INCOTERMS 2020), the place of delivery – Pramonės str. 1A, LT-62175 Alytus, Republic of Lithuania.
- 3.5. The Goods and accompanying documents are transferred in agreed delivery place. During the delivery the Buyer shall verify if the number of packages and data, specified in accompanying documents, corresponds to the order.
- 3.6. The risk of accidental loss and damage shall pass to the Buyer from the moment of the acceptance of delivered goods.
- 3.7. If the Buyer refuses to accept the delivered Goods or revokes the order after its confirmation, the Producer is entitled to impose fine up to 40% of total order price.

4. Claims on Goods

- 4.1. The Producer warrants, that no third persons have any recognized or disputed rights towards the Goods. The Producer shall assume the full liability for any claims on rights to the Goods, submitted by the third parties.
- 4.2. The Buyer shall have a right to submit the claims on the Goods quantity, assortment and obvious quality deficiencies to the Producer within 1 day from the delivery of the Goods to the delivery place. If the term is missed, the burden to prove, that the deficiencies of the Goods quantity, assortment and quality were present at the moment of transfer of the Goods, shall pass to the Buyer.
- 4.3. During the whole warranty period the Buyer shall have a right to submit the claims on the deficiencies of the Goods quality (except the obvious deficiencies) to the Producer within reasonable term from the discovery of such deficiencies.

5. Price and Payment Terms

- 5.1. Unless a different agreement is made during the confirmation of the order, the Producer's prices in effect on the date of the submission of the order shall apply.
- 5.2. Except if otherwise agreed, all prices shall not include VAT, delivery costs and packaging. All additional costs (for freight, insurance, export, transit, import, permits and certificates) shall be borne by the Buyer. The Buyer shall be liable for all types of taxes, levies, fees, customs duties and the like incurred in connection with the delivery of order.
- 5.3. If the delivery is not EXW (Incoterms 2020), the Producer reserves the right to increase the price of the Goods to cover higher effective costs and/or rates unless the increases are due to any fault on the part of the Producer.
- 5.4. The payments for delivered Goods shall be made by the Buyer according to the invoice, submitted by Producer, within the agreed terms of payment during order confirmation. All payments shall be made without deduction of discounts, expenses, taxes, levies, fees, customs duties and the like.
- 5.5. The Producer has a right to demand the advance payment, the total amount of which constitutes up to 30% of final price for the Goods, any time during the commencement of order.
- 5.6. All payments shall be made in Euros by bank transfer to the account specified by the Producer.
- 5.7. If the term of payment is missed, among other rights the Producer shall be entitled to impose the default interest on the Buyer from the unpaid amount, the rate of which is 0.04 %, for each day of the non-payment.

6. Retention of Title

- 6.1. The Producer shall retain the title to the Goods delivered or to be delivered to the Buyer until the price of all such Goods has been paid in full. Retention of title does not affect the provisions on the transfer of risks set forth in art. 3.6.
- 6.2. Until the title of the delivered Goods has not passed to the Buyer, the Buyer may not pledge the Goods or grant a third party any other right to the Goods. However, the Buyer is authorized to resell the Goods subject to retention of title during its normal business operations provided that any client to whom the Buyer resells the Goods is bound by credit terms and retention of title obligations equivalent to those set out in these Terms & Conditions.
- 6.3. If the Buyer resells the Goods in accordance with art. 6.3, title to the Goods shall pass to the Buyer immediately prior to the transfer of Goods to the Buyer's client.
- 6.4. In the event of non-payment of the price for ordered Goods, the Producer shall be entitled to withdraw from the performance of confirmed orders in accordance with applicable statutory provisions and/or to demand to return the Goods on the grounds of retention of title. Demanding return of the goods does not constitute a declaration of withdrawal from the confirmed orders, nor it relieves the Buyer from liability for non-performance.

7. Warranty

- 7.1. The Producer provides the 2 years warranty on quality of the Goods. The warranty on quality is starting to run from the moment of transfer of the Goods to the Buyer.
- 7.2. The warranty set out in art. 7.1:
 - 7.2.1. provides the coverage to the Buyer and its clients only;
 - 7.2.2. does not apply to (i) merchandise that was, at any time, used as a sample or display model, (ii) any merchandise purchased "as is" or second-hand, (iii) any merchandise purchased at a distress sale or a 'going out-of business' sale, or (iv) any merchandise purchased from a liquidator;
 - 7.2.3. is operative only if the Goods are fully paid by the Buyer and the Buyer has no outstanding debts to the Producer.
- 7.3. Warranty covers only normal usage. No warranty applies to any condition of the Goods resulting from misuse, abuse, delivery or transportation damage, nor any condition of the Goods resulting from incorrect or inadequate maintenance, cleaning or care.
- 7.4. Where the Producer has established, to its reasonable satisfaction, that a breach of warranty has occurred, the Producer shall at its discretion:
 - 7.4.1. itself repair or replace the defective Goods or component part; or
 - 7.4.2. pay a sub-contractor or agent reasonable and customary labour rates to repair or replace the defective part; or
 - 7.4.3. pay shipping costs from the Buyer's client to and from the Producer (or to and from the Producer's sub-contractor or agent) at no charge to the Buyer.

8. Intellectual Property

- 8.1. The models, designs, drawings, instructions, specifications, and pre-production samples (any part of it) of the Goods are the objects of intellectual property of the Producer.
- 8.2. Except as necessary to permit the Buyer to possess and make use of the Goods, delivered by the Producer, the Buyer shall acquire no intellectual property rights under these Terms & Conditions and nothing in these Terms & Conditions grants the Buyer the license in relation to intellectual property rights.

9. Confidentiality Clause

- 9.1. All information and data, which has been received or was learned during the submission and executions of orders under these Terms & Conditions shall be held confidential by both Parties.
- 9.2. Each Party shall commit not to reveal the above-mentioned confidential information to any third parties, as well as to preserve it and to use only for purposes of execution of orders under these Terms & Conditions and 2 years after the fulfillment of the last order.

10. Force Majeure

- 10.1. Each Party shall not be liable if delayed in or prevented from performing its obligations due to Force Majeure, provided that it promptly notifies the other of the Force Majeure event and its expected duration; and uses its reasonable endeavors to minimize the effects of that event.
- 10.2. If, due to Force Majeure, the Party is delayed in or prevented from performing its obligations the Parties shall work together in good faith to achieve, as nearly as possible, the original commercial intent of the order.

11. Governing Law and Jurisdiction

- 11.1. The performance of orders and any dispute or claim arising out of, or in connection with it, shall be governed by and interpreted in accordance with the laws of the Republic of Lithuania.
- 11.2. The parties irrevocably agree that the courts of the Republic of Lithuania shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, the performance of orders.

12. Final provisions

- 12.1. The rights and remedies provided in the Terms & Conditions for the Producer only are cumulative and not exclusive of any rights and remedies provided by law.
- 12.2. The Parties are independent persons and are not partners, principal and agent or employer and employee and the Terms & Conditions does not establish any joint venture, trust, fiduciary or other relationship between them, other than the contractual relationship expressly provided for in it. None of the Parties shall have, nor shall represent that they have, any authority to make any commitments on the other Party's behalf.
- 12.3. If any provision of the Terms & Conditions (or part of any provision) is or becomes illegal, invalid or unenforceable, the legality, validity and enforceability of any other provision of the Terms & Conditions shall not be affected.
- 12.4. No failure, delay or omission by the Producer in exercising any right, power or remedy provided by law or under the Terms & Conditions shall operate as a waiver of that right, power or remedy, nor shall it preclude or restrict any future exercise of that or any other right, power or remedy. No single or partial exercise of any right, power or remedy provided by law or under the Terms & Conditions to the Producer shall prevent any future exercise of it or the exercise of any other right, power or remedy by the Producer.
- 12.5. If there is a conflict between the terms contained in the Terms & Conditions and the terms of the confirmed order, the terms of the confirmed order shall prevail.
- 12.6. The Buyer may not assign, sub-contract or encumber any right or obligation under the Terms & Conditions or confirmed orders, in whole or in part, without the Producer's prior written consent.