

BERNHARDT | design

sales and service policy

september 2023

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Sales and Service Policy

Bernhardt Design, a division of Bernhardt Furniture Company, values and appreciates our dealers and works diligently to merit the trust and confidence placed in us. The following policy has been formulated to acquaint dealers with operating guidelines of Bernhardt Design. Familiarity with operating requirements will enable dealers to work more effectively with Bernhardt Design.

Bernhardt Design dealers are expected to sell furniture only from locations approved and authorized by Bernhardt Design. Proposed new selling locations must be submitted to the sales department for approval. Authorized locations will be kept on file, and furniture will only be shipped to authorized locations, installation sites, and warehouses where furniture is normally received by the dealer. Bernhardt Design will not continue to do business with any dealer who sells our furniture from an unauthorized location.

Bernhardt Design recognizes the right of any dealer to cease doing business with Bernhardt Design at any time. Likewise, Bernhardt Design reserves the right to cease doing business with any dealer that does not meet sales requirements or properly represent Bernhardt Design.

All dealers are expected to provide adequate service to customers who buy or are interested in buying Bernhardt Design furniture. Failure to provide such service, particularly service required under the Bernhardt Design Limited Warranty, may result in termination of the dealer as a Bernhardt Design account.

All dealers of Bernhardt Design products are expected to provide post-sales service to their customers. Each dealer is expected to uncarton, inspect, and do any necessary touch-up to the products after they are received from the factory and prior to installation. At the time of installation, dealer installers should be responsible for set-up, cleaning, repairing minor defects, adjusting cushions, making drawer and door adjustments, leveling and all other routine delivery services.

Each Bernhardt Design dealer is expected to purchase a minimum amount of furniture each year. Any dealer who does not meet the minimum purchase requirements or is inactive for a period of twelve (12) months may be terminated as a Bernhardt Design dealer. Contact your sales representative for more information.

A dealer dropped from the account list will be treated as a new account if new orders are deemed acceptable and will be subject to the requirements for all new accounts.

Sales Aids

Bernhardtdesign.com provides to its authorized dealers on-line comprehensive product information and price lists. Bernhardt Design reserves the right to make changes in price lists, terms of sale, or product literature without prior notice. Dealers should carefully and regularly review such information as various terms and conditions of sales listed therein are both important and binding on the dealer.

High resolution product images are available for download on Bernhardtdesign.com. Images, drawings and models available through Bernhardtdesign.com are the sole property of Bernhardt Design and may be used exclusively for the purpose of planning, sales or promotion of Bernhardt Design products. Any other use is strictly prohibited.

It is the responsibility of your sales representative to provide wood finishes and other product material samples when deemed necessary. Reference Bernhardtdesign.com for finishes available on each product.

Swatches of materials graded-in on Bernhardt Design seating frames are available upon request from Bernhardt Textiles. Contact your sales representative for Bernhardt Textile samples.

All sales aids remain the property of Bernhardt Design. These materials are provided for the exclusive use of the specifier and dealer to assist in the sale of Bernhardt Design furniture.

Terms and Credit

Pricing and terms of sale apply to orders accepted by Bernhardt Design, and no terms, stipulations or conditions contained in dealer's submitted purchase orders shall have any force or effect.

Bernhardt Design requires a completed and signed credit application from every dealer. Bernhardt Design also requires dealers to provide a Blanket Certificate of Resale/Use containing valid sales tax exemption number(s) for their respective state(s).

If credit has been approved, the regular terms for all Bernhardt Design products are Net 30 from date of invoice.

If credit has not been approved, a 100% prepayment, including any freight charges, is required prior to production. Acceptable forms of payment include a certified check or electronic bank

transfer. For information on where to send checks/electronic bank information contact our Financial Services Department.

If a dealer or company check is submitted, a period of three (3) weeks should be allowed for clearance of the check. If electronic bank transfer is submitted, one (1) week should be allowed for the clearance of the electronic bank transfer. Should payment in full not be received within three (3) weeks from the acknowledgment date, the order is subject to cancellation.

Deductions may not be made by the dealer for advertising, promotions, quality problems, freight, or any other reason without prior authorization by Bernhardt Design. Such a deduction could result in the curtailment or suspension of further shipments until the matter is resolved.

Delinquency notices are generated and mailed periodically. Service charges of 18% per annum will be added to each past due transaction. Unpaid service charges will be accrued and invoiced on a periodic basis.

Past due notices may result in orders being held until the situation is resolved. This credit hold could prevent orders from being placed into production or shipped. Orders not in production that are placed on credit hold for three (3) weeks will be subject to cancellation.

Severe past due situations may result in the employment of a collection agency or other collection litigation. In the event that any collection activity is necessary regarding a dealer account, the dealer will be responsible for the payment of any and all attorney and collection agency fees. A slow payment history may result in the reduction or elimination of an open line of credit.

At the discretion of Bernhardt Design, amounts owed by a dealer to Bernhardt Design arising from any transaction or dealings between the dealer and Bernhardt Design, may be offset against any amounts that are owed to the dealer by Bernhardt Design.

Acceptance of Orders and Conditions of Sale

All orders are subject to acceptance by Bernhardt Design in Lenoir, North Carolina, in accordance with terms and provisions on the Bernhardt Design standard acknowledgment form.

Acceptance of all orders is conditional upon the terms and prices printed on the acknowledgment form. The dealer is responsible for promptly notifying Bernhardt Design of any disagreement with those terms.

Orders submitted incorrectly become the responsibility of the party writing the order, and they will be held responsible for

any expenses incurred. Orders may be mailed or e-mailed. Handwritten orders or telephone orders will not be accepted.

Revisions

All reasonable requests for revisions in orders will be honored if received in writing prior to start of production and in time to make the change. Bernhardt Design reserves the right to charge for labor, materials and administrative costs for order revisions.

Custom and special finish orders are not subject to revision after acknowledgment.

Changes / Cancellations

All orders in production are considered firm orders and are not subject to changes or cancellation.

Delays

Orders for seating, tables or credenzas cannot be delayed if the orders have been placed in production. Orders will ship based on the acknowledged ship dates.

Certificate of Resale

Dealers are required to provide Bernhardt with a Blanket Certificate of Resale which contains a valid sales tax exemption number for all states that they request Bernhardt to ship. Otherwise, sales tax may be assessed on the shipment based upon the ship to address or the order may be canceled at Bernhardt's discretion due to potential tax liability issues.

Bernhardt Textiles

Bernhardt Textiles will, at its discretion, reserve fabric for a customer for ten (10) working days. There is a 20 yard minimum to reserve fabric. We can not reserve leather or coated fabrics. Reservations can only be made on a product in stock. We cannot reserve against incoming yardage.

Finishes

Finishes must be specified on the order when submitted. Standard finish refers to specific selections of finishes that are designated appropriate for each product. Special finish includes any finish other than a standard finish offered on the product.

Requests for a special finish should be directed to your sales representative or your Bernhardt Design account executive. Special finishes made to customer specifications may be available at a 10% net upcharge with a \$500 net minimum. All special finish orders are subject to acceptance by Bernhardt Design.

Upon request, the Bernhardt Design finishing lab will prepare a special finish sample and ship direct to the sales representative, dealer or other designated party for approval.

Orders with a special finish will not be acknowledged until the special finish sample is approved in writing and received by Bernhardt Design customer service.

Special finish orders are not subject to revision or cancellation after acknowledgment. Additional lead time may be required for special finish items.

Custom Orders

Custom denotes construction changes that include dimension and configuration changes and/or material changes that may be requested in either Seating, Occasional Tables, Credenzas, Multipurpose/Conference Tables. Each request will be costed individually and priced accordingly.

Custom design for products requires submittal by sales representative for review by Bernhardt Design. If approved minimum quantities, upcharges and additional lead times may apply.

Quote Procedure - Custom Construction

All custom construction pricing requests should be directed to the sales representative. Bernhardt Design requires two (2) to five (5) working days to properly cost and price custom construction changes. However, more time may be required and sketches may be requested by Bernhardt Design if needed.

Custom quotations will be provided only to a sales representative. The sales representative is responsible for checking quotations for correct information and should promptly notify Bernhardt Design of any discrepancy.

Custom quotations are based on the quantities, the structural changes and the scope of the entire job as given to Bernhardt Design. Any deviations from the original request will require reevaluation of pricing. Custom quotations are valid for sixty (60) days from the date of quotation.

Order Procedure - Custom Construction or Special Finish Orders

Normal ordering procedures apply for custom construction and special finish orders with the exception that the purchase order must reference the special job number and/or the special finish number.

A custom order will not be acknowledged for shipment until the appropriate custom construction, drawings, or special finish approval are signed by either the dealer or the specifier and returned to Bernhardt Design. Custom designs or special orders may not be cancelled, revised or delayed after acknowledged by Bernhardt Design.

Approval Procedures

Customer's Own Material (COM)

Customer's Own Leather (COL)

Due to aesthetic reasons or application restraints, Bernhardt Design must preapprove any COM/COL fabric for application on certain Bernhardt Design products. Reference the Terms and Conditions section in each price list for preapproval procedures.

Bernhardt Design reserves the right to reject any covering which in our opinion is unsuitable for upholstery purposes.

Lead Time

Seating lead time begins after receipt of complete purchase order, all COM/COL approvals, receipt of textiles, and credit release. Occasional Tables lead time begins after receipt of complete purchase order and credit release. Credenzas and Multipurpose/Conference Tables lead time begins after receipt of complete purchase order, final sign-offs and credit release. Lead times on special finishes will be based on the current production cycle for standard items.

Discontinued Products

Discontinued products are sold "as is", and Bernhardt Design cannot be held responsible for repairs, replacement parts, any damages or defects after the sale has taken place.

Freight and Shipping

All shipments will be F.O.B. Lenoir, North Carolina. All orders are shipped via Bernhardt Design truck or preferred Bernhardt Design carrier with a guaranteed freight rate unless shipping collect or third party is specified. Freight charges will be invoiced as product is shipped and payment will be due according to the terms of the invoice. If terms are net cash, freight charges must be prepaid and freight collected prior to production. Bernhardt Design will not be responsible for expedited freight charges or additional charges related to guaranteed delivery dates.

Bernhardt Design is not liable for any damages occurring during transit or storage. The carrier assumes all responsibility upon acceptance of product. Claim for damages, shortages, or overcharges should be placed against delivering carrier by buyer.

or receiver of goods. It is the customer's responsibility to inspect all products upon receipt and file any claims with the carrier.

For customers who decline our Guaranteed Freight Program (GFP), Bernhardt Design will stage orders for pick up at 1% of the list price, or \$75 minimum.

No product should be refused. If products are received damaged, a written exception should be made on the bill of lading and an immediate inspection be requested of the carrier.

Concealed damage must be reported to the carrier within ten (10) business days from date of delivery. Failure to make claims shall constitute acceptance of the products and waiver any claims of defects, errors or shortages.

In the event delivery is made on a Bernhardt Design truck, the products should be carefully inspected for transit damage. If the contents are damaged, the driver should be notified to contact his dispatcher for immediate disposition. Concealed damage must be reported within ten (10) business days from date of delivery and product/packaging held for inspection by an authorized Bernhardt Design representative.

If an order is valid and shipment refused, then the dealer shall pay freight charges both ways and will be responsible for paying for the merchandise in full. Only sales management has the right to authorize the return of refused shipments to the factory or place in a local warehouse at factory expense.

Any quality concerns, damages or shortages should be reported to the Bernhardt Design sales representative immediately after initial delivery. Freight damages must be referred to the carrier immediately. Bernhardt Design will not be held responsible for damage that occurs after delivery to the dealer.

Quality Assurance Claims

Dealer or sales representatives may request replacement parts and local repairs. An estimated cost of repair must be submitted in writing to Bernhardt Design and approved in advance.

Automatic charge-backs will not be accepted, and the dealer may not submit or deduct any charges from checks until the necessary approvals have been made and a credit memo has been issued internally to apply against a specific invoice.

The dealer or sales representative may negotiate an allowance to retain a defective or non-conforming item "as is" with prior approval from our quality assurance department.

No adjustments or allowances will be made, nor any procedures for corrections begun, until approved by the Bernhardt Design quality assurance representative. Photographs may be required.

If Bernhardt Design quality assurance management agrees to be responsible for a claim, Bernhardt Design may elect to authorize the repair locally or make other adjustments in lieu of return. Bernhardt Design is not responsible for the quality or acceptance of local repairs.

When local repairs and allowances cannot be made, the subject merchandise may be brought back to the factory for repair and returned to the dealer. A "Return Authorization" must be issued by Bernhardt Design before any merchandise can be returned, or it will be refused, and the carrier will be instructed to contact the dealer for disposition. The dealer must arrange for pick-up by a carrier when a Bernhardt Design truck is not available.

Furniture returned to the factory must be cartoned and secured in accordance with the National Motor Freight Classification Tariff, or it will be refused. Bernhardt Design is not responsible for any handling or packaging charges prior to shipment.

Used samples or discontinued items are shipped "as is" and no adjustments or allowances will be made on such items.

Customer complaints directed to Bernhardt Design will be referred to the dealer for handling.

Limited Warranty - Bernhardt Design

Bernhardt Design will repair or replace, at its discretion and without charge to the original purchaser, any product or part thereof which fails as the result of defects in material and workmanship, under single shift use and normal care, for five (5) years from date of shipment, with the following exceptions: guest and stacking chairs which will be warranted for three (3) years; drawer glides, drawer boxes, drawer pulls, and lock mechanisms have a Life-Time Warranty for original purchaser; power and communication components are warranted for one (1) year.

Repair or replacement of discontinued product will be at the discretion of Bernhardt Design.

This warranty does not cover the misuse or abuse of product, or damages as the result of dramatic temperature changes, exposure to unusual conditions, or incurred by contact with other products. Bernhardt Design has the exclusive right to make the final determination of product misuse or abuse.

Natural color changes, variations or movements in lumber or veneer products, exposure to extreme temperature changes and direct sunlight may cause color changes and/or surface damage. These are circumstances beyond the control of Bernhardt Design and are not warranty issues. Repair or replacement of discontinued product will be at the discretion of Bernhardt Design.

Except as stated, Bernhardt Design makes no express or implied warranties as to any product, and in particular, makes no warranty of merchantability and/or of fitness for any particular purpose. Bernhardt Design shall not be liable for any consequential or incidental damages or for commercial loss arising from any product defect.

This warranty gives specific legal rights. Other rights vary from state to state. Some states do not allow limitations on how long an implied warranty will last or the exclusion or limitation of incidental or consequential damages, so the above limitations or exclusions may not apply.

All complaints must be resolved through the original purchaser. To obtain warranty service, the purchaser must supply dated proof of purchase.

Bernhardt Design reserves the right to make changes without prior notice in dimensions, design and/or construction, price lists or product literature.

Warranty Limitations and Exclusions for Textiles

Bernhardt Design does not warrant nor guarantee fabrics or leathers against fading, shrinking, stretching, seam slippage, wear abrasion, wrinkling, creasing, staining, running or discoloration from contact with any liquid or alteration in color and hand due to any finish treatment.

Bernhardt Design is not responsible for dyelot differences or any discrepancies in widths of fabric and does not guarantee, warrant or represent exact matches to cuttings, memos and samples. Fiber content and/or yarns may be substituted at our discretion. Fabric sources may be changed without notification.

Leather hides may contain surface blemishes, marks, scars, scratches or wrinkles considered by the tanneries to be naturally inherent and acceptable characteristics. Bernhardt Textiles takes no responsibility for the size or the location of such marks.

Exact color matching cannot be guaranteed on shipments of leather as natural materials have minor variations in color and

thickness which affect how much dye is absorbed. Therefore, Bernhardt Textiles takes no responsibility for color inconsistencies between dyelots or production runs.

While Bernhardt Textiles will supply the customer, upon request, with copies of the results of independent testing on its textiles, Bernhardt Textiles does not guarantee that its product will meet specific industry, government or other codes or standards.

In any event, the liability of Bernhardt Design for any defective merchandise shall be limited to replacement of merchandise or refund of purchase price at the discretion of Bernhardt Design.

The foregoing constitutes the sole and exclusive remedy of the customer: Under no circumstances will Bernhardt Design be responsible for any consequential or incidental damages, costs, charges, expense or obligations or any commercial loss other than as is expressly stated herein. Bernhardt Design makes no express or implied warranty on merchantability nor fitness for a particular purpose.

Design and Patent Rights

All of the products shown on the Bernhardtdesign.com web site and/or described in Bernhardt Design price lists are, and will remain, the property of Bernhardt Design with the sole right reserved to manufacture and to distribute.

Some of the product designs, specifications, images, renderings and other descriptions are patented or copyrighted in the United States and will remain the property of Bernhardt Design. Reproduction of such products constitutes an infringement of patent and/or copyright laws and may be subject to prosecution.

Application of Policy

Failure of the dealer to observe the requirements of this Bernhardt Design Sales and Service Policy may be grounds for Bernhardt Design to cease doing business with the dealer.