

Acknowledgement Form

Luonto® Standards & Procedures is a comprehensive document that details certain aspects of our business relationship, including purchase ordering, routing, labeling and packaging, quality standards and invoicing, all of which require customer compliance.

Carefully review the requirements in this document, as they will impact the flow of merchandise within our system. Please note, unauthorized deviation from these requirements may result in extra charges to your company .

Please distribute this document to any appropriate personnel at your organization. Also be sure to provide us with a primary email of each of these individuals, so they can receive notifications of updates to this document.

We will maintain this acknowledgment in our customer data library for future reference of compliance.

Please return this form by email

Acknowledging receipt and the review of the document's requirements, signed by an authorized officer of your company to: customerservice@luontofurniture.com

On behalf of the named company below, I hereby acknowledge the receipt of and familiarity with the Luonto® Standards & Procedures document. I hereby agree to abide by such terms contained therein.

Acknowledged By (Print):	
Acknowledged By (Signature):	
Job Title:	
Date:	
Company Name:	
Address:	
Contact Name:	
Contact Email:	

Definition of Authorized Retailer

Luonto Furniture products are only available throughout the US and Canada from our Authorized Dealer Network. Authorized Retailers meet our minimum standards of floor placement and have completed required sales and product knowledge training(s). Authorized Retailers are required to provide relevant staff with our latest information on a weekly basis. Updates will be sent to the customer supplied email(s) provided on the New Customer Form.

Authorized Retailer Staff are trained to be capable of leading consumers through the Luonto purchase process, while providing a service experience equal to our product quality. We believe this human-to-human interaction is crucial. As such we hold our dealers to a high standard ensuring our consumers have the best possible experience.

Authorized retailers will be listed within our retailer locator web-tool and automatically be enrolled in our national social media advertising program. Only Authorized Retailers are allowed to sell Luonto® products online, via their own online store, no other platform or third parties are permitted. Online stores may sell Luonto products online, but only if they are associated with an existing authorized retailer. It is not permitted to sell Luonto products through any other platform or third-party sellers.

Requirements of an Authorized Retailer

Establishment is located at Brick-and-Mortar Location

We have learned that when consumers are able to see and use our furniture in-person, a sale is more likely. We understand much of commerce is achieving great success on the internet. However, by requiring all our Authorized Retailers to have a brick-and-mortar location prospective consumers are able to find Luonto Furniture products and able to see our functionality in-person, an advantage ecommerce cannot provide.

Reputable and respected within the local community

As a manufacturer of quality furniture, it is important for us to guard our product and service standards, and so we choose to do business only with businesses who are both reputable and respected in their local community. Ensuring potential consumers believe in our efforts to deliver quality.

Minimum three (3) Luonto frames on the floor

We require all Authorized Retailers to maintain a minimum of three (3) Luonto frames on their showroom floor. Reason being, consumers can have a more expansive interaction with our functional furniture offering and increase their likelihood of purchase.

Installation of Point of Purchase (POP) Material to support each frame

(See POP Section in Order Processing)

Authorized Retailers are provided with our marketing resources. We ask that you use them. This includes various supporting elements to install around the floor placements, developed specifically to help educate the consumer on our product.

Online Sales

Any Made to Order designs can be listed for sale on your website. Under no circumstances will you be permitted to list our products with any third party retailer (i.e. Wayfair, Amazon). Online stores may sell Luonto products online, but only if they are associated with an existing authorized retailer. It is not permitted to sell Luonto products through any other platform or third-party sellers.

Adherence to our Minimum Advertising Price (MAP) Policy

Our Minimum Advertised Price (MAP) Policy is applicable to any customer listing our items for sale, whether or not they meet our Authorized Retailer requirements. Any business listing a Luonto Furniture item is under no circumstances, unless part of an Official Luonto Promotional Program, allowed to list that item for less than the MAP price provided in our price lists. Please read our full disclosure available in the Sales Terms in this document.

MAP Policy Violation

We reserve the right to stop the sale of products to retailers who are not following our MAP policy. Discontinuation of sales for this reason can be done at any time without notice.

Full disclosure available in the Sales Terms in this document.

Discounted Freight Policy

If your business wishes to offer Discounted Freight of Luonto products to your customers, you are only permitted to do so for customers located geographically near your location. Defined as 150 miles from your sale location or within the selling location's state border, whichever is less (no discounted or free freight is permitted into the New York City metropolitan area). Discounted Freight prices may not be less than the Minimum Advertised Price. (see Section 14, Paragraph F in the Sales Terms for more details)

Product Claims Policy

Product Claims are available for all products shipped within the state where your business operates. Products shipped beyond your state's borders void eligibility for Product Claims. Only spare part orders will be fulfilled for orders sold across state lines.

Participation in Luonto Quarterly Promotions

Each year we release a Promotional Calendar with information regarding valid dates, products and discounts. These discounts are available for our customers and can be passed along to the consumer. Only valid items within the promotional dates are exempt from adherence to our MAP Price Policy.

Compliance

Luonto uses the most service-driven and cost-effective systems, from operational personnel to carriers, in order to best support our customers' needs. As one of our Authorized Retailers, please take the appropriate time to thoroughly read through and understand our Standards & Procedures. This partnership is an opportunity to optimize our procedures and operations, thus enabling us to deliver products with customer satisfaction.

Claims

Due to our Commitment to Quality, we are able to maintain transparency. We work hard to give our customers access to every detail from the manufacturing process to product durability, so you are fully confident throughout the selling process.

We will provide you with the code number with Description to inform the factory. Anything that has been noted for improvement we will use to ensure our future orders keep our yearly less than 2% manufacturing claim standard.

Please contact us with quality issues so Luonto can take preventative actions and apply corrections to production, supply chains, freight companies and distribution centers. So to address expenses regarding the appropriate companies.

Please follow Quality Inspection Codes when opening claims with us. Codes are to be used on all our claim documentation. This provides clarity so our Quality team can accurately coordinate necessary changes in our Quality Control and Resource and Development.

Any questions can be directed to our customer service department, customerservice@luontofurniture.com

Claims Process

Beginning with the discovery of a defect, the customer should notify Luonto by email to claims@luontofurniture.com with each of the following:

- 1 Video
- 3 Photos
- A Photo of the Manufacturing Label
- Description of the defect. Please refer to the following section for a list of Quality Inspection Codes to include within description

Luonto will respond via email within two (2) business days and will provide solutions or schedule a technician inspection for within five (5) business days. If an inspection is necessary, the customer must provide us with the following information:

- Full Description of Claim
- Luonto Sales Order number
- Photo of manufacturing label(s)
- 3 Photos and 1 Video of the claim
- Item Name and Upholstery information
- List of Quality Inspection Code(s)
- Consumer contact information (Full Name, Address, phone, email address)

Quality Inspection Codes

Codes are to be referenced in any correspondence regarding claims. The tables below outline the meaning of our code system. Please use these pages as a code dictionary. Questions can be directed to our customer service, customerservice@luontofurniture.com.

Claim Types

CODE	DESCRIPTION
100	LEATHER CLAIM
200	FABRIC CLAIM
300	FRAME, SEAT, AND OTHER RAW MATERIAL CLAIM
400	FUNCTION, MECHANISM, POWER RELATED CLAIM
500	MANUFACTURING CLAIM
600	TRANSPORT, WAREHOUSE CLAIM
700	DINING TABLE, COFFEE TABLE CLAIM
800	DINING CHAIR CLAIM
900	CUSTOMERS/CONSUMERS OWN REASON
1000	LUONTO INTERNAL CLAIM

Claim Subtypes

CODE	DESCRIPTION
101	THE BASE COLOR DETACHES
102	THE SURFACE OR EFFECT PAINT COMES OFF
103	DOUBLE COATING DETACHES
104	SURFACE FLAKING OR CRACKING
105	LEATHER STRETCHES MORE THAN NORMAL
106	SCAR OR BURN MARK CRACKED OR IS VISIBLE
107	GRAIN DISTINCTION NOT ACCEPTED BY CUSTOMER
108	SURFACE OFF (TOO DRUMMED)
109	LEATHER SMELL (TANNING ERROR)
110	CUSTOMER DOES NOT ACCEPT WRINKLES (FLANK AREA)

111	STORAGE FOLDING MARKS ON LEATHER
112	COLOR DIFFERENCE BETWEEN LEATHER & ARTIFICIAL LEATHER (ACCORDING TO CUSTOMER)
113	LEATHER TEARS
114	FROSTBITE
115	STAIN ON THE LEATHER ETC.
116	OTHER PROBLEM
117	LEATHER DELIVERY DELAY CLAIM AND REFUND
118	OTHER REASON

CODE	DESCRIPTION
201	THE BASE COLOR DETACHES
202	THE SURFACE OR EFFECT PAINT COMES OFF
203	DOUBLE COATING DETACHES
204	SURFACE FLAKING OR CRACKING
205	LEATHER STRETCHES MORE THAN NORMAL
206	SCAR OR BURN MARK CRACKED OR IS VISIBLE
207	GRAIN DISTINCTION NOT ACCEPTED BY CUSTOMER
208	SURFACE OFF (TOO DRUMMED)
209	LEATHER SMELL (TANNING ERROR)
210	CUSTOMER DOES NOT ACCEPT WRINKLES (FLANK AREA)
211	STORAGE FOLDING MARKS ON LEATHER
212	COLOR DIFFERENCE BETWEEN LEATHER & ARTIFICIAL LEATHER (ACCORDING TO CUSTOMER)
213	LEATHER TEARS
214	FROSTBITE
215	STAIN ON THE LEATHER ETC.
216	OTHER PROBLEM
301	LEATHER DELIVERY DELAY CLAIM AND REFUND

302	OTHER REASON
303	DACRON PACKED IN USE TOO FAST
304	DACRON PACKED IN STORAGE
305	AUXILIARY FABRIC FRAYED
306	THE ADHESIVE DID NOT STICK
307	NO ADHESIVE
308	DEFECTIVE ASSEMBLY SCREW / IMPACT NUT / FITTING
309	SOLID WOOD / BOARD MATERIAL FAILURE
310	INTERMEDIATE TUBE BENT / BROKEN (DURING THE WARRANTY)
311	BACK WEBBING LOOSE
312	DACRON FILLING FLAT OR TOO FULL
313	DUST COVER / LOOSE / BROKEN / FRAYED
314	TRACTION RAIL ERROR
315	OTHER MATERIAL ERROR

CODE	DESCRIPTION
410	RECLINER SOFA MECHANISM FAILURE
411	RECLINER CHAIR IN MECHANISM FAILURE
412	RECLINER POWER MECHANISM / ENGINE FAILURE
416	PROBABLY CAUSED BY THE CUSTOMER BUT REPAIRED BY THE FRAME WARRANTY
417	OTHER RECLINER FUNCTION ISSUE CHAIR MECHANISM ERROR
418	OTHER REASON (IF NOT IN THE LIST AND CAN BE CONSIDERED A RARE ERROR)
420	CROSS ARMCHAIR LEG
421	ISSUE IN EASY DELUXE FUNCTION
422	ISSUE IN EASY FUNCTION
423	ISSUE IN NEST FUNCTION
424	ISSUE IN LEVEL FUNCTION
425	ISSUE IN LEVEL POWER FUNCTION

426	ISSUE IN HYBRID FUNCTION
428	ISSUE IN BUNK BED FUNCTION
429	ISSUE IN FLIP FUNCTION
430	ISSUE IN MOVE FUNCTION
431	ISSUE IN GIRO (TANGO) FUNCTION
501	POSTING / INTERPRETATION ERROR / LUONTO ERROR
502	ORDER / POSTING / INTERPRETATION ERROR CUSTOMER ERROR
503	CUTTING CLAIM IN LEATHER
504	CUTTING DEFECTIVE FABRIC
505	SEWING CLAIM
506	SEAM CLAIM

CODE	DESCRIPTION
507	WRINKLING CLAIM
508	OTHER UPHOLSTERY CLAIM
509	LEG / MOLDINGS / FITTINGS MISSING OR WRONG COLOR / MODEL / QUALITY (QUALITY CONTROL CLAIM)
510	PACKAGING CLAIM
511	GLUING CLAIM
512	GLUED WRONG FOAM GRADE
513	INCORRECT / INCOMPLETE FILLING OF BACK CUSHIONS
514	WRONG BACK CUSHION INSERT FILLING
515	ASSEMBLY CLAIM IN FRAME (PIECES PILED UPSIDE DOWN, MISSING GLUE, WRONG HOOKS, ETC.)
516	SEWING ERROR (BIG TWIG LEFT)
517	DESIGN / FORMULA ERROR
518	ASSEMBLY INSTRUCTION INCORRECT / UNCLEAR
519	STRUCTURAL ERROR (I.E. HOLES IN WRONG POSITION)
520	STILL LIFE ERROR (CUTTING POSITION INCORRECT)

521	FALSE OR INCONSISTENT PRODUCT INFORMATION IN BROCHURE OR ON WEB ETC.
522	INCORRECT OR NO INFORMATION PROVIDED TO AFFILIATES (I.E. BY PHONE OR LETTER)
523	FRAME BROKEN FROM SEAT
524	FRAME BROKEN ARMREST
525	FRAME BROKEN FROM BACK
529	ORDERED/CONFIRMED
530	LOADING CLAIM
531	OTHER REASON (IF NOT IN THE LIST AND CAN BE CONSIDERED A RARE ERROR THAT SHOULD NOT BE DONE WITH THE CODE)
532	THE PRODUCT MAKES NOISE, FOR EXAMPLE, DUE TO HULL CONNECTIONS OR OTHER REASONS. (MECHANISM CLAIMS BELONGS TO FUNCTION CLAIM CODE.)
601	FREIGHT DAMAGE INBOUND TO CHARLESTON
610	FREIGHT DAMAGE FEDEX
611	CONSUMER SELF-TRANSPORTED
612	FREIGHT DAMAGE UPS
622	FREIGHT DAMAGE TQL
623	FREIGHT DAMAGE BROOKS
624	FREIGHT DAMAGE AMERICAN WEST
625	FREIGHT DAMAGE MURROWS
626	FREIGHT DAMAGE WESTERN LOGISTICS
627	FREIGHT DAMAGE SUNBELT
628	FREIGHT DAMAGE WISEWAY
629	FREIGHT DAMAGE METROPOLITAN WAREHOUSE
630	CUSTOMER COLLECT
632	JB HUNT/ZENITH

CODE	DESCRIPTION
701	SCRATCHES
702	ROUGHNESS
703	CRACKS
704	WOODEN CONNECTIONS OPEN (GLUING CLAIM)
705	DENT
706	ASSEMBLY CLAIM
707	DUST FOR SURFACE TREATMENT
708	STAINING CLAIM / VARNISHING / PAINTING CLAIM I.E. UNEVENNESS OR LIGHTNESS IN THE CORNER
709	OTHER STRUCTURAL CHANGES (I.E. CURLING OF THE TABLETOP)
710	DISCOLORATION / SURFACE CHANGE DUE TO HOLD OR HUMIDITY
711	OTHER REASON (IF NOT IN THE LIST)
712	QUALITY CONTROL CLAIM
713	LATE MANUFACTURING
714	PACKAGING CLAIM
715	COLOR CLAIM (DIFFERENT FROM SWATCH MODELS / SHOWROOM MODELS)
801	SCRATCHES
802	ROUGHNESS
803	CRACKS
804	DENT
805	COLOR CLAIM (DIFFERENT FROM SWATCH MODELS / SHOWROOM)
806	WOODEN CONNECTIONS OPEN (GLUING CLAIM)
807	ASSEMBLY CLAIM
808	STAINS / LACQUER / PAINTING CLAIMS I.E. UNEVENNESS OR LIGHTNESS IN THE CORNER
809	OTHER STRUCTURAL CHANGES (I.E. CHAIR REAR LEG BROKEN)
810	OTHER LACQUER DEFECT (I.E. RUNOFF, VARIATION IN LACQUER STRUCTURE)
811	UPHOLSTERY CLAIM IN DINING CHAIR

812	OTHER REASON (IF NOT IN THE LIST)
813	QUALITY CONTROL CLAIM
814	LATE MANUFACTURING
815	PACKAGING CLAIM
816	DINING CHAIR SEWING CLAIM
817	SEAT COVER FIXING SCREWS “RAISED”
818	DINING CHAIR DESIGN CLAIM

Quality Inspection Codes Glossary

100 – LEATHER CLAIM

Leather Touch Up or Repair

Leather is a natural product that contains unique characteristics inherent with this type of product. Natural flaws or defects are expected in the product unless they are in a conspicuous (obvious) area. If there are finish problems. This will require repair and/or touch up services.

Uneven Welts/Piping

If Welts/Piping are attached unevenly they will need to be removed and reinstalled evenly.

Stitching Loose

If stitching is loose it may begin to unravel. Generally, the loose areas can be re-stitched and normally is caused by the user exceeding the suggested weight limit listed within the product manual.

200 – FABRIC CLAIM

Upholstery Pilling

Pilling is always caused when the external fiber sticks to the upholstery fibers, normally from decorative pillows, blankets or other items used on the upholstered furniture. By checking the pile, if the color is different from the upholstery it means the issue is from outside fibers. Stop using these items on the product and use a pilling fabric shaver to correct the problem.

Abnormal Fabric wrinkle

Seat cushions can be wrinkly. This is normal. Especially if the fabric is a woven material. If The fabric is wrinkling abnormally (more than 1" to 2"), loosen the fabric from the stapled edge. Smooth the fabric surface then reattach the upholstery tightly with similar staples.

Uneven Welts/Piping

If Welts/Piping are attached unevenly they will need to be removed and reinstalled evenly.

Stitching Loose

If stitching is loose it may begin to unravel. Generally, the loose areas can be re-stitched and normally is caused by the user exceeding the suggested weight limit listed within the product manual.

300 – FRAME, SEAT & OTHER RAW MATERIAL CLAIM**Frame – Poor Finish**

Some upholstered items have exposed wood frames or decorative trim. These are finished pieces and can contain defects such as runs, chips, and flaking finishes. These defective areas will need sanding, filling, or to be repainted.

Frame – Defective, Bent or Uneven

Claims filed with this code should be a manufacturing defect, not damage caused during transportation. An easy way to distinguish freight damage from manufacturing defects is by inspecting the surface.

All frames are constructed using birch plywood & solid spruce. If a frame is warped, it will cause the product to appear crooked. Bolts under the frame need to be loosened, the frame readjusted, and the bolts tightened. Some Seat frames may contain large knots causing them to break. If the frame is broken due to a large knot, the seat frame will be replaced.

Frame – Squeaking

During the manufacturing process we assemble frames using glue and staples, glued finger joints and support blocks. Resulting in a sturdy squeak-free frame. If squeaking occurs, the dust cover needs to be removed and the frame inspected.

Legs or Arms – Broken or Cracked

If an arm or leg is broken, look closely at the defective area. If there is indication the defect occurred before finishing (no coverage damage in stain or paint) this is not a manufacturing claim. However, if damage in stain/paint is present this can be fixed and will require gluing and/or touch up work.

Seat Cushion Core

Our Seat Foam is high quality, and therefore requires a break-in period of six (6) to eight (8) weeks of normal use. Our consumers sometimes comment on firmness or firmness differences. This is caused by some of the seats being used more than others. In rare cases density may be outside our permitted tolerances and will require a replacement. Fabric sagging is not caused by a seat core problem but is normal especially with woven fabrics.

Back Cushion Filling

Our high quality back cushion filling requires weekly fluffing. Sometimes consumers report the cushion is sagging, this is easily fixed by adhering to our recommended weekly interval for Fluffing the cushions. The problem resolves when our recommended fluffing schedule is maintained.

400 – FUNCTION / MECHANISM / POWER RELATED CLAIM

Mechanism – Defective Sleeper or recliner

Sometimes mechanisms can become misaligned from mishandling in transport and will not function properly. To repair, the mechanism should be exposed and properly adjusted. Mechanisms may be bent from a drop or hit, and may require replacement.

Electrical Problems

Applies to units with power function. Often the solution is unplugging the product then plugging it back in. Normally changing parts is not required. Contact customer service for more detailed information, customerservice@luontofurniture.com.

500 – MANUFACTURING CLAIM

Button Loose or Missing

Some upholstered items come with buttons tufted into the fabric and tied down. If unsecured they need to be reattached or replaced if missing.

Hardware or Parts Missing

If your shipment does not include the parts required for installation and set, check all the packaging materials. The hardware is inside the package wrapped in foam or double bubble wrapping to avoid damage to the upholstery.

Issues that require additional spare parts, due to incorrectly opening the packaging will result in an administrative and handling fee of \$75 in addition to the part cost.

For missing hardware file a claim to claims@luontofurniture.com to order missing hardware.

Hardware Defective

Ranging from tarnished legs to defective sleeper mechanisms. Any hardware that must be replaced or modified due to not appearing or functioning as it should, please file a claim to claims@luontofurniture.com to order necessary replacement parts.

Hardware Installed Incorrectly At the Factory

If hardware is installed incorrectly, it must be taken apart and re-installed properly.

600 – TRANSPORT / WAREHOUSE DAMAGE CLAIM

All Transport related claims - Freight Damages

All claims and damage related to the transport, please describe the problem and make sure the Bill of Lading has the proper information on the side-mark section. Take photos of the packaging and the damaged product. Submit properly filled Bill of Lading along with the claims paperwork. Note: the responsible party for the transport claim is always the billed party from the transport company.

700 – DINING, COFFEE TABLE CLAIM

Rough Finish

Resulting from improper color mixtures during the finishing process, the solution requires sanding the rough surface and refinishing.

Packing Marks

If the product is packaged before the finish has fully cured, shiny impressions on flat finishes and dull impressions on glossier finishes occur. This is often accompanied by a pattern of the packing materials. Sanding and polishing will be required to repair these types of defects.

Lacquer or Paint Runs or Chips

Runs are caused by excessive volume of finish or without proper drying time between coats. The result looks like water running or dripping down the side. Correcting this type of defect requires sanding of the surface and repainting. Chips may also be the result of excessive build up, requiring filling and painting.

Over-spray

Found inside of the storage box, the inside of storage boxes should be wiped with a paint reducer. Sometimes the surfaces will require sanding and polishing, depending on finish type.

Splitting

On rare occasions, improper drying or sealing of a wood product causes splitting. When wood expands from heat or moisture, the finish expands at a variable rate and causes hairline fractures in the finish. Depending on the finish, these areas can be filled, sanded, and/or touched up. In severe cases require gluing, clamping, and refinishing.

900 – CONSUMER’S OWN REASON**Describe Problem**

Sometimes there are issues that do not fit into any of the above categories. This code is available in these exceptional instances. A detailed description of the problem should be listed, and a claim filed to claims@luontofurniture.com.

SPARE PARTS

Required Replacement Parts resulting from a manufacturing claim requires a completed purchase order. Luonto will issue a new sales order, once the problem has been identified.

Parts ordered for instances where Luonto is at-fault will be shipped to the customer, expenses paid by Luonto. Warehouse Stocked Parts ship within three (3) business days from the date of Order Confirmation receipt. Factory made replacement parts will ship from the warehouse within six (6) to eight (8) weeks from the date of Order Confirmation receipt. Please ensure the correct consignee is shown in the “Ship-To” address.

TECHNICIAN NETWORK

We reserve the right to inspect any product that does not meet our Quality Standards. All products determined to be defective by the customer will be inspected by an Authorized Luonto Technician. We aim to solve the claim within one Technician visit.

If the customer requires an item to be inspected but the manufacturing claim is not found, they will be charged a \$95 fee as penalty for an unnecessary technician visit. This fee covers the expense of labor and resources.

Our Authorized Luonto Technician network has over 200 technicians available across more than 40 states. All dedicated to the common goal of repairing furniture quickly with excellence, in one visit.

Please contact our Customer Service if you have any questions or you need more information about technician availability in your area.

By email at customerservice@luontofurniture.com or by phone (888) 255 2951

1000 – LUONTO INTERNAL CLAIM

Customers are required to complete the documents provided in the New Customer Packet before an Order Confirmation, Sales Order or Invoice can be processed. We process orders or invoices efficiently and in a timely manner when customers follow our established procedures.

Our invoice(s) will always be original and arrive by email. We use only one invoice per sales order (in certain situations partial Invoices are issued). Shipping & handling charges can be added to the invoice(s). Look for emails from invoicing@luontofurniture.com

An aging report for open invoices and credits on the customer account are available by request on a monthly basis. Email any requests to invoicing@luontofurniture.com

All invoices contain the following information: • Your company name

- Luonto Remit to address
- Invoice Number
- Invoice Date
- Sales Order Number
- Shipment Date
- Ship-To Address
- Cost per piece
- Freight Charges
- Applied Discounts (listed separately)

Payment Details

ADDRESSES FOR CHECK PAYMENTS

Remittance Address	
Company Name	Luonto Furniture, Inc.
Address	PO Box 745008
City, State, Zip	Atlanta, GA 30374-5008

Please note that a delay in the processing of payment may occur if checks are sent to a different address, if the plus four zip code extension is not used or if the remittance address is not printed in black or blue ink.

INSTRUCTIONS FOR DOMESTIC ACH & WIRE PAYMENTS

Domestic, ACH & Wire Payments	
Bank Name	PNC Bank
Account Number	██████████
ABA # For ACH	██████████
Wire	██████████

INSTRUCTIONS FOR INTERNATIONAL PAYMENTS

International Payments	
Bank Name	PNC Bank, N.A.
Address	249 Fifth Avenue Pittsburgh, PA 15222 USA
Account Name	Luonto Furniture, Inc.
Account Number	██████████
BIC (Swift Routing)	██████████

Please contact Orders@luontofurniture.com to request the account details for both Domestic and International ACH or Wire transfers.

To serve our North American market, our distribution center is strategically located on the east coast in Charleston, SC. We stock and distribute our best-selling models and upholsteries. Which gives us the ability to ship products from our warehouse within three (3) business days from the date of order confirmation.

Made To Orders are shipped from our factory to our Distribution Center in South Carolina. Normally arriving within 10-12 weeks from the date of the order confirmation, then arranged and shipped to the customer shortly thereafter.

Accessory or spare part orders can be shipped from our Distribution Center directly to the ship-to address provided by the customer.

Questions regarding Sales Orders or Order Confirmations should be directed to our main office at the following address.

Headquarters	Distribution Center
1007 Trident Street, Unit A Charleston SC 29410	1007 Trident Street, Unit A Charleston SC 29410
(888) 255 2951	(888) 255 2951 Ext. 5
Customerservice@luontofurniture.com	Distribution@luontofurniture.com

Contacts

If you have questions regarding accounting, compliance, distribution, labeling, purchasing, sales, shipping, transportation, or quality standards. Please use the following Contact Directory below to speak to the appropriate party.

Responsibility	Contact Person	Phone	Email
Accounting/Invoicing	Maria Karesto	888 255 2951, Ext. 6	invoicing@luontofurniture.com
Customer Service	Stuart McCauley	888 255 295, Ext 2	customerservice@luontofurniture.com
Order Processing	Sofia Soto	888 251 295, Ext. 3	orders@luontofurniture.com
Sales	Ville Karesto	888 251 295, Ext 1	sales@luontofurniture.com
Marketing	Justin Kaufman	888 251 295, Ext 4	marketing@luontofurniture.com
Distribution Center	Jacob Gamble	888 251 2951, Ext. 5	distribution@luontofurniture.com
Quality Control	Rob Eisiminger	888 251 2951, Ext. 711	qualitycontrol@luontofurniture.com
Sales Support	Alex Sienkiewicz	888 251 2951, Ext. 708	salesupport@luontofurniture.com



Order Submission

Purchase Orders (PO)

Sent only BY EMAIL to orders@luontofurniture.com for Luonto order processing Luonto does NOT accept orders by phone or any other format. Upon receipt of a Purchase Order (with ALL required information), Luonto will process an order within two (2) business days from that date.

Read the required information below carefully when submitting any purchase orders to make the order processing accurate and fast.

The following information (if applicable) should be included on the purchase order:

Required Data	Description	Example
ITEM NAME	SELECT A DESIGN	MONIKA
ITEM STYLE	CHAIR, LOVESEAT, SOFA, SECTIONAL	LOVESEAT
ITEM ORIENTATION	LHF <ITEM SIZE> + RHF CHAISE, LHF CHAISE + RHF <ITEM SIZE>	
ITEM TYPE	SLEEPER, STATIONARY, RECLINER	SLEEPER
BED SIZE	COT, FULL, FULL XL, QUEEN, KING	QUEEN
UPHOLSTERY GRADE (MADE TO ORDER)	FABRIC A-E, LEATHER 1000-5000 OR PRESCOTT GRADE	A
UPHOLSTERY COLLECTION (MADE TO ORDER)	LIST NAME OF COLLECTION FROM UPHOLSTERY GRADE OF CHOICE	RENE
UPHOLSTERY COLOR CODE	MADE TO ORDER: SELECT COLOR FROM COLLECTION IN-STOCK ITEMS: SELECT FROM AVAILABLE COLORS	1
LEG MODEL CODE	SELECT A COMPATIBLE LEG MODEL (SEE PRICELIST)	
LEG FINISH NAME	SELECT AVAILABLE LEG FINISH (SEE LEG AVAILABILITY)	
FUNCTION TYPE (MADE TO ORDER)	SELECT FROM OUR AVAILABLE/FUNCTIONS	
FACTORY CODE (MADE TO ORDER)	COMPLETE FACTORY CODE FOR MADE TO ORDER DESIGN	
SHIP TO ADDRESS	INCLUDE SHIP TO ADDRESS	
SHIPPING METHOD	DEFINE SHIPPING METHOD	

Help Placing an Order

When placing orders, please refer to the Purchase Order Instructional Worksheet (available in Appendix) to make sure that the item(s) are listed in the correct order on the purchase order. Always define items front facing from left to right.

If you need more assistance for placing an order, contact the Luonto Orders Desk at orders@luontofurniture.com or call us at (888) 255-2951 Ext 3. We can also provide and encourage Webinar and In-Store Training, available upon request.

Order Confirmation

IMPORTANT! Customers are required to complete the documents provided in the New Customer Packet before a Sales Order / Order Confirmation can be processed.

An Order Confirmation (OC) is delivered to you by email from orders@luontofurniture.com or by an official auto-generated Luonto email address. This confirmation notice indicates Luonto has received and processed your PO. All the items in the PO will be listed including but not limited to in-stock furniture, special-order furniture and accessories.

Review your Order Confirmation carefully. Ensure there are no discrepancies, if any information is incorrect or invalid please reply to the Order Confirmation email within twenty-four (24) hours, to prevent slowdowns on the order.

Any changes to orders need to be submitted by replying to the original Order Confirmation email within twenty-four (24) hours for in-stock items or forty-eight (48) hours for Made To Order items from the time the Order Confirmation is received. Include the SO number, your PO number, Item Description, quantity, cost, "Ship-To" address in your email.

IMPORTANT! Any changes submitted after these time frames cannot be accepted.

- Partial shipments are allowed without prior written authorization
- Luonto reserves the right to cancel all or any portion of a SO prior to shipment
- Refer to your Purchase Order for any special instructions
- We ship all orders in the quantities specified in the SO

Luonto has the right to refuse or keep on-hold shipments based on overdue invoices and maintain the right to add related transportation or handling charges to the order.

Never initiate collection of the order before you have received the confirmation by email informing you the products are ready for pick up.

Please then email distribution@luontofurniture.com or call (888) 255-2951 Ext.5 to schedule an appointment to pick up your order.

The Sales Order

IMPORTANT! International sales orders are no different than domestic sales orders.

Luonto uses Sales Orders (SO) to sell the products from our factory and stock. The SO is system-generated, contains a prefix of “SO” followed by numeric characters and will only be emailed to the customer.

There are five types of sales orders listed below:

- Stock furniture and accessories
- Made To Order furniture and accessories
- Parts
- Samples (upholstery, wood finish)
- POP Materials (catalogs, signage, etc.)

Order Status Request

When requesting status of a quick ship or Made To Order, please provide a proper Luonto sales order number (SOxxxxx) or your purchase order number along with your company information.

Please submit your order status requests with proper information by email to our Customer Service at customerservice@luontofurniture.com or call us (888)255-2951 ext 2.

Checking Your Account

Please direct all questions pertaining to Account Balances, Account Statements, Invoice Statuses or other Company Information, to invoicing@luontofurniture.com or speak to someone at (888) 255-2951, Ext. 6

Pop Upholstery and Material Samples

POP Materials, Fabric, finish and leather samples ship at Luonto’s expense if the customer meets the Authorized Retailer requirements. Please request our POP Materials Catalog by emailing marketing@luontofurniture.com to get more information of current in-store branding or marketing materials.

Please do not cut your fabric or leather sample when the consumer needs a sample. We are happy to send samples to your store or directly to the consumer. Please refer to the following section for more information.

Sample or POP Material Request

We provide free upholstery samples and catalogs to our Authorized retailers and their consumers. Send upholstery (Max. 3 unique samples) or catalog requests by email to customerservice@luontofurniture.com.

Include proper information including upholstery type, color code or catalog name to the email along with the following information:

- Full Name
- Ship to address
- Phone Number
- Email Address



Terms and Conditions for the Sale of Goods

1. Applicability.

(1.1) These terms and conditions of sale (these "Terms") are the only terms which govern the sale of the goods ("Goods") by Luonto Furniture, Inc., a Delaware corporation ("Seller") to a customer of Seller ("Buyer"). Acceptance of orders is based on the express condition that Buyer agrees to the Terms, and the placing of any order by Buyer will constitute Buyer's agreement to these Terms. In addition, all orders for Goods are subject to acceptance by Seller. Seller will acknowledge and accept the orders for Goods by issuing a confirmation of sale to Buyer (the "Order Confirmation"). Buyer shall notify Seller immediately (within 24 hours of receipt) of any error in the Order Confirmation. Seller reserves the right to revoke an Order Confirmation in the event a product has been discontinued or will be unavailable for delivery in a reasonable time. Seller reserves the right to not accept an order that is based on pricing or product specification errors either by Buyer or contained in a Luonto Sales Order. Notwithstanding anything herein to the contrary, if a written contract signed by both parties is in existence covering the sale of the Goods covered hereby, the terms and conditions of said contract shall prevail to the extent they are inconsistent with these Terms.

(1.2) The Order Confirmation and these Terms (collectively, this "Agreement") comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Buyer's general terms and conditions of purchase regardless whether or when Buyer has submitted its purchase order, shipping request, or such terms. For the avoidance of doubt, Seller's fulfillment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions contained in such forms and does not serve to modify or amend these Terms.

2. Cancellation of Order.

Buyer acknowledges and agrees that:

(2.1) In-stock Goods canceled after 48 hours of receipt of the order confirmation will be subjected to a 10% cancellation fee.

(2.2) Once the shipment notice has been sent, all sales are final, regardless of whether the 48 hour period has passed.

(2.3) Modifications or cancellations for Made to Order pieces will be treated on a case by case basis.

(2.4) Buyer must provide Seller written notice of an order cancellation within the appropriate time frame, and Buyer is responsible for obtaining written confirmation from Seller of such order cancellation within such appropriate time frame.

3. Changes to Order.

Buyer acknowledges and agrees that changes to an Order must be in writing, require prior written approval by Seller, and are subject to Seller's ability to make such requested changes. Notwithstanding anything herein to the contrary, Buyer acknowledges and agrees that changes to an Order will not be approved by Seller once Seller has commenced production on such Goods.

Any approved changes to an Order will be subject to added costs associated with changes in the price of Goods along with the administrative, cancellation, or stocking fees, and such costs may be up to 50% of the listed Price. Notwithstanding anything herein to the contrary, any Orders containing Customer's Own Material ("COM") or Customer's Own Leather ("COL") cannot be returned or credited once Seller has commenced production on such Goods.

4. Showroom Display Goods; Samples of Seller.

(4.1) Seller will occasionally sell showroom display Goods. Any showroom display Goods are not returnable at any time and are sold in "as is" condition.

(4.2) Seller's finish and upholstery samples are only representative of the color and overall appearance and cannot be guaranteed as exact matches. Seller's fabric, wood, and metal samples vary based on irregularities of manufacture, color, surface, finish, grain and texture, and Seller accepts no responsibility for any complaint arising from the appearance, color, quality, or fading of such materials.

5. Delivery.

(5.1) Seller will deliver the Goods within a reasonable time after the receipt of Buyer's purchase order and Seller's issuance of the Order Confirmation, subject to availability of finished Goods. Buyer acknowledges and agrees that all quoted completion dates and delivery dates are estimates only, and Seller shall not be liable for (i) any delays in the shipment or receipt of the Goods, or (ii) losses or damages to the Goods incurred in transit to the Shipping Address.

(5.2) Unless otherwise agreed in writing by the parties, Seller shall deliver the Goods to the location designated by Buyer (the "Shipping Address") using Seller's standard methods for packaging and shipping such Goods. Notwithstanding anything herein to the contrary, any specialized packaging requested by Buyer in excess of Seller's standard methods for packaging is not included in the Price. Seller shall, in its sole and absolute discretion, select the carrier used to deliver the Goods. Buyer shall be solely responsible to communicate with the Carrier for scheduling, delivery and receipt of the Goods to the Shipping Address. Buyer shall be responsible for all loading costs and provide equipment and labor reasonably suited for receipt of the Goods at the Shipping Address. Unless noted otherwise or Seller and Buyer have agreed to different payment terms in a writing signed by both parties evidencing the intent to supersede these Terms, Buyer acknowledges and agrees that (i) all shipping, local delivery, and installation charges are additional and will be added to the final balance of the Price, and (ii) Buyer shall pay to Seller such charges prior to shipment, delivery, or installation of the Goods.

(5.3) Seller may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Buyer's purchase order

(5.4) If for any reason Buyer fails to accept delivery of any of the Goods, or if Seller is unable to deliver the Goods at the Shipping Address because Buyer has not provided appropriate instructions, documents, licenses, or authorizations: (i) risk of loss to the Goods shall pass to Buyer at such time; (ii) the Goods shall be deemed to have been delivered; and (iii) Seller, at its option, may store the Goods until Buyer picks them up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).

6. Warehousing Fees.

Buyer shall pay a warehousing fee of 1% of the total Price as stated in the Order Confirmation on any Goods not delivered, shipped, or released to Buyer two weeks after Seller provides written notice of such Goods availability for shipment for each week in which Seller is required to hold such undelivered Goods at Seller's Warehouse. Buyer shall make all payments of the accrued warehousing fees every two weeks by ACH, check, or wire transfer and in United States dollars. In addition to the weekly warehousing fee, any shipments returned to Seller, including, without limitation, such returns as a result of Buyer's improper failure to accept delivery or otherwise accept the Goods, will require Buyer to pay all additional costs incurred by Seller related to the return and storage of the Goods, including shipping and storage fees.

7. Shipping Terms.

Imported Goods are FCA Seller's warehouse located at 1007 Trident Street, Unit A, Charleston SC, 29410 ("Seller's Warehouse"). Seller shall deliver the Goods in accordance with the terms of this Agreement.

8. Title and Risk of Loss.

Title and risk of loss passes to Buyer upon Seller's delivery of the Goods to the carrier selected to deliver the Goods to Buyer (the "Carrier"). As collateral security for the payment of the purchase price of the Goods, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title and interest of Buyer in, to and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing.

9. Amendment and Modification.

These Terms may only be amended or modified in a writing which specifically states that it amends these Terms and is signed by an authorized representative of each party.

10. Inspection of Goods.

(10.1) Buyer shall inspect the Goods upon receipt at the Shipping Address, and any claim by Buyer against Seller or the Carrier for shortage, damage, or defect occurring prior to such delivery must be made in writing to Seller and/or the Carrier within 24 hours of receipt of the Goods (the "Inspection Period"), and such writing must be accompanied by the original transportation bill noting that the carrier received the Goods from Seller in the condition claimed. Buyer shall be deemed to have accepted the Goods unless it notifies Seller in writing of any Nonconforming Goods during the Inspection Period and

furnishes such written evidence or other documentation as required by Seller, in its sole and absolute discretion. Acceptance by Buyer of any Goods shall constitute a waiver by Buyer of any default or claim for damages on account of any Nonconforming Goods. "Nonconforming Goods" means only the following: (i) the product shipped is different than identified in the Order Confirmation; or (ii) the product's label or packaging incorrectly identifies its contents.

(10.2) If Buyer timely notifies Seller of any Nonconforming Goods, Seller shall, in its sole discretion, (i) replace such Nonconforming Goods with conforming Goods, or (ii) credit or refund the Price for such Nonconforming Goods, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith. Buyer shall ship, at its expense and risk of loss, the Nonconforming Goods to the facility as designated by Buyer in a writing. If Seller exercises its option to replace Nonconforming Goods, Seller shall, after receiving Buyer's shipment of Nonconforming Goods, ship to Buyer, at Buyer's expense and risk of loss, the replaced Goods to the Shipping Address.

(10.3) Buyer acknowledges and agrees that the remedies set forth in Section 10.2 are Buyer's exclusive remedies for the delivery of Nonconforming Goods. Except as otherwise provided under Section 10.2 or any other provision of this Agreement, all sales of Goods to Buyer are made on a one-way basis and Buyer has no right to return Goods purchased under this Agreement to Seller.

11. Product Claims Terms.

Product Claims are available for all products shipped by the Buyer. Buyers must handle all product claims and warranty support for their customers, including both in-store and dropship purchases. The Buyer serves as the direct point of contact for all customer service matters including delivery damages, manufacturing defects, and parts orders. The Buyer is responsible for communicating with the Seller to resolve these claims on behalf of their customers.

12. Price

(12.1) Buyer shall purchase the Goods from Seller at the prices (the "Prices") set forth in Seller's published price list in force as of the date that Seller accepts Buyer's purchase order and issues the Order Confirmation; provided, that the parties agree that Price quotes are valid for 14 days from the date of the order quotation unless extended in writing by the parties.

(12.2) Unless noted otherwise, all Prices are listed in United States dollars and are exclusive of shipping charges, in-transit insurance, storage charges, local delivery charges, assembly charges, installation charges, and all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any governmental authority on any amounts payable by Buyer.

13. Minimum Advertised Price (MAP) Policy

This policy is unilateral and is applicable to any Buyer listing our products for sale, whether or not eligibility for Authorized Retailer status is met.

(13.1) The MAP policy applies to all advertisements of current Seller's products in any and all media, including but not limited to flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs,

mail order catalogs, television, radio, public signage, websites, chat features, marketing emails, sms/text messages, social media (paid/organic), videos, and Google Shopping listings.

(13.2) Advertised price means the price at which Seller's product listings are displayed, whether online or in print or any other medium (after applying any advertised discounts, rebates, or other reductions in price), including but not limited to:

- i. Rebates, volume incentives, or any other discounting
- ii. Gifts, premiums, or services associated with the purchase of any Seller's products
- iii. Payment of sales taxes or other taxes for the customer
- iv. Offers to deal or negotiate price
- v. Discounts on non-Seller's products (including accessories), which are bundled in any way with Seller's products
- vi. Sitewide sales or promotions must explicitly exclude Seller's products.
- vii. Free shipping offers must not appear on or adjacent to Seller's product listings.
- viii. Coupon codes available via email, phone, sms/text messages, website chat, Facebook, WhatsApp, etc.
- ix. "Click-Thru" pricing online, where a price appears once the item has been added to a shopping cart.

(13.3) For products that Seller has announced in writing as discontinued, the MAP price will no longer be effective as of the announced discontinuation date.

(13.4) MAP prices are not negotiable. Enforcement of Seller's MAP policies are solely Seller's decision and responsibility. No employee of Seller has authority to discuss or modify this policy. In addition, Seller neither solicits nor will it accept any assurance of compliance with this policy. Seller does not seek and will not accept assurances of compliance with this Policy at any time. Nothing in this policy shall constitute an agreement between Seller and any Buyer that the Buyer will comply with this policy.

(13.5) MAP Policy Violations and Enforcement:

First Offense:

- ★ Immediate Account freeze (all new and existing orders)
- ★ Buyer must correct violation within 24 hours of receiving Notice
- ★ Failure to correct within 24 hours will result in Account Closure

Second Offense:

- ★ Immediate Account Closure with no opportunity for reinstatement

(13.6) MAP policy violations are tracked on a rolling 12-month basis. All determinations regarding MAP violations are made at Seller's sole discretion and are final.

(13.7) Shipping and Delivery Advertising: All Seller's products must be advertised with a mandatory minimum flat rate shipping charge of \$200. This flat rate shipping charge must be shown separately

from and in addition to MAP pricing. Accessory products at lower price points (e.g. Mattress Protectors, Sheet Sets, Dining, Universal Headrests, Pastilli Ottomans, Decoration Cushions etc.) must be advertised with a mandatory minimum flat rate shipping charge of \$10. This flat rate shipping charge must be shown separately from and in addition to MAP pricing.

Advertising free shipping on Seller's products is strictly prohibited. Buyers may not include shipping costs within the product price, advertise discounted shipping rates, display or promote "free shipping" offers, or offer any shipping promotions that reduce the \$200 flat rate. The flat rate shipping requirement applies to all online advertising and must be clearly displayed to customers during the purchasing process.

(13.8) Seller, at its sole discretion, may periodically authorize advertisements of sales promotions for products covered by the MAP Policy. In such events, Seller reserves the right to modify or suspend the MAP for all applicable products by notifying all Resellers of such change.

(13.9) If a Retailer advertises any Seller Product at prices less than the MAP, Seller will enforce its policy based on the terms (outlined in paragraph 13.5). Seller will notify that Buyer in writing.

(13.10) Seller will use its sole discretion in identifying non-compliant advertising and applying this Policy. Seller's decisions will be final. Seller will not discuss any determination relating to this Policy or negotiate the terms of any such determination with any Buyer, and Seller will not seek or accept assurances of any kind as to Buyer's future conduct.

Online Sales Terms

(13.11) Buyer is permitted to list any In-Stock style and any Seller's Made to Order style on their online catalog of products or website store. Under no circumstances will Buyer be permitted to list or sell Seller's products on third party retailer sites e.g. Amazon, Wayfair, Ebay, Craigslist, etc.

(13.12) Performance Requirements: Any Buyer who has products listed online must maintain minimum sales of \$5,000 every month (starting 90 days from account opening). Failure to meet this minimum requirement will result in revoking of online sales privileges.

(13.13) Sales Tax: Advertising "Tax Free" or similar tax-related promotions on products online is prohibited. While it remains at the customers' discretion to offer tax-related benefits, such offerings shall not be used as an advertised value proposition. It is the Buyer's responsibility to be compliant with state and federal tax law.

(13.14) Price Matching Guarantees: Buyers shall not advertise or implement any of the following whether explicitly or implicitly: Price matching guarantees, "Beat any price" promotions, messaging that encourages comparison shopping between retail and online channels, automated quote or chat systems where the Buyer offers unauthorized discounts.

(13.15) Product Listing Requirements: Free shipping offers must not appear on or adjacent to Seller's product listings. Sitewide sales or promotions must explicitly exclude Seller's products. Each product listing must display its specific, accurate price. Use of generic collection pricing is prohibited (e.g.,

displaying a queen size sleeper and listing the cot chair sleeper price). All product pricing must reflect current authorized MAP pricing for each product from Seller.

(13.16) Online Shipping: Shipping for any online order must comply with Seller's MAP policy "Shipping and Delivery Advertising" (Section 13.7).

(13.17) Policy Circumvention: Any attempt to circumvent or find loopholes in the MAP policy will be considered a violation of the policy in its entirety. These policies are established to create a level playing field for all authorized retailers, and Seller reserves the right to determine, at its sole discretion, whether any advertising, promotion, or sales practice constitutes an attempt to circumvent this policy.

(13.18) Technical Compliance: It is the Buyer's sole responsibility to maintain all marketing and advertising in compliance with this MAP policy across all platforms and technologies. A Buyer's claimed lack of technical understanding or technological limitations will not be considered a valid excuse for any violation and will be subject to enforcement as outlined in Section 13.5. This includes, but is not limited to, automated pricing systems, feed management tools, marketplace integrations, and any other technical solutions used in the advertising or display of Seller's products.

14. Payment Terms.

(14.1) If Buyer submits a credit check application and Seller, in its sole and absolute discretion, determines that Buyer has sufficient credit, Buyer shall pay all invoiced amounts due to Seller within 30 days from the date of Seller's invoice.

(14.2) If Buyer does not submit a credit check application or has insufficient credit as determined by Seller, Buyer shall pay all invoiced amounts due to Seller in accordance with the following terms: (i) If the Goods are stock orders, Buyer shall pay all invoiced amounts in full upon receipt of Seller's Order Confirmation prior to the shipment of the Goods to Buyer; and (ii) If the Goods are Made To Order goods, Buyer shall pay 50% of the invoiced amount on receipt of Seller's Order Confirmation prior to Seller processing such orders to productions, and, upon the arrival of such Goods at Seller's Warehouse, Buyer shall pay the remaining 50% balance plus any applicable freight charges, including PPA, prior to the shipment of the Goods to Buyer.

(14.3) Unless noted otherwise, Buyer shall make all payments hereunder by ACH, check, or wire transfer and in United States dollars.

(14.4) Buyer shall pay a late payment fee of 8.5% of the outstanding invoice balance per month to all accounts not paid within 30 days from the date of Seller's Order Confirmation. In addition to the late payment fee, Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. In addition to all other remedies available under this Agreement or at law (which Seller does not waive by the exercise of any rights hereunder), Seller shall be entitled to suspend the delivery of any Goods if Buyer fails to pay any amounts when due hereunder and such failure continues for 60 days following written notice thereof.

(14.5) Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller, whether relating to Seller's breach, bankruptcy, or otherwise.

15. Additional Terms Regarding Orders Containing COM and COL.

(15.1) Buyer acknowledges and agrees that the Prices of any Orders containing COM and/ or COL (i) shall include the additional labor costs for applying or upholstering products with Buyer's fabric or leather, and (ii) shall not include any shipping costs or any duties for imported or domestic goods, and such costs and duties will be added to the Price. Buyer acknowledges and agrees that all orders containing COM and/or COL will be shipped in accordance with Section 5 of these Terms.

(15.2) Buyer shall be responsible for providing the proper materials and quantity of the COM and COL that satisfy the minimum requirements of Seller's COM / COL guidelines currently in effect. Buyer shall provide Seller with a COM / COL sample for approval, and Seller, in its sole and absolute discretion, reserves the right to reject any COM / COL that is considered improper for any reason. Seller accepts no responsibility for any complaint arising from the appearance, durability, quality, fading, placement, or performance of any COM and/or COL incorporated in the Goods. Buyer shall advise Seller in writing of any specific requirements as to special alignment, placement of or detail, front or back of the COM and/or COL, and, in the event Buyer does not provide such a writing, Seller will install the COM and/or COL according to Seller's guidelines based on standard yardage and square feet requirements.

(15.3) Seller makes no warranty whatsoever with respect to any COM or COL. Buyer acknowledges and agrees that no warranty will apply to damage or misuse, accidents, abuse, neglect, mishandling or wear resulting from normal use related to any Goods containing COM and/or COL. Please refer to Seller's Warranty for further details regarding Seller's manufacturer warranty.

16. Limited Warranty.

Seller warrants to Buyer that for the period of time SET FORTH IN THE SELLER's warranty, attached hereto as exhibit a ("Seller warranty"), from the date of delivery to the Shipping Address that such Goods will materially conform to the Seller's published specifications as set forth in the seller warranty. Except for the warranties set forth in the seller warranty, SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, INCLUDING ANY (A) WARRANTY OF MERCHANTABILITY; (B) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (C) WARRANTY OF TITLE; OR (D) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

17. Limitation of Liability.

(17.1) IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT, OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

(17.2) IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT,

TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE GOODS SOLD HEREUNDER. SELLER'S LIABILITY MAY BE FURTHER LIMITED AS PER THE TERMS OF SELLER'S MANUFACTURER'S WARRANTY.

(17.3) Any claim by Buyer with reference to the services of Seller or any Goods sold shall be deemed waived by Buyer unless submitted to Seller in writing within 30 days from the date Buyer discovered, or should have discovered any claimed breach.

(17.4) The limitation of liability set forth in Section 16.2 above shall not apply to (i) liability resulting from Seller's gross negligence or willful misconduct and (ii) death or bodily injury resulting from Seller's acts or omissions.

18. Compliance with Laws.

Buyer shall comply with all applicable laws, regulations, and ordinances. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement.

19. Remedies Upon Default; Termination.

(19.1) If Buyer fails to make payment in accordance with the terms herein or otherwise fails to comply with any provision hereof, Seller may, at its option, cancel any unshipped portion of an order, retain the Goods, and declare a forfeiture of the deposit as liquidated damages. In addition to any remedies that may be provided under these Terms, Seller shall have the right to appropriate and sell the Goods and apply the amounts collected to any payment owed to Seller, including but not limited to the unpaid balance of all accounts and any expenses and costs incurred by Seller to exercise Seller's rights hereunder, as Seller shall determine in its sole discretion. Buyer shall remain liable for the balance of all unpaid accounts.

(19.2) In addition to any remedies that may be provided under these Terms, Seller may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (i) fails to pay any amount when due under this Agreement; (ii) has not otherwise performed or complied with any of these Terms, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

20. Waiver.

No waiver by Seller of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power, or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

21. Confidential Information.

All non-public, confidential or proprietary information of Seller, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists,

pricing and price lists, catalogs, samples, discounts, or rebates, disclosed by Seller to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as “confidential” in connection with this Agreement is confidential, solely for the use of performing this Agreement and may not be disclosed or copied unless authorized in advance by Seller in writing. Upon Seller’s request, Buyer shall promptly return all documents and other materials received from Seller. Seller shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

22. Drawings; Plans; Dimension; and Samples.

All drawings, descriptions, dimensions and illustrations provided by Seller, including in any price lists, catalogs, or advertisements, are close approximations only. Any examples or samples exhibited or provided by Seller to Buyer are for general informational purposes only. Nothing in any drawings, descriptions, illustrations, lists, advertisements, catalogs, or samples shall be deemed to create a representation or warranty or serve as the basis for any claim against Seller. Buyer acknowledges and agrees that furniture or other Goods may be handmade or specially treated or processed and are subject to slight variations.

23. Force Majeure.

Seller shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Seller including, without limitation, acts of God, flood, fire, hurricane, tornado, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national or state emergency, revolution, insurrection, epidemic, pandemic, lockouts, shortages of labor, raw material, production, or transportation facilities, strikes or other labor disputes (whether or not relating to either party’s workforce), other contingencies of manufacture or shipment, or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials from Seller’s usual sources of supply, materials or telecommunication breakdown or power outage. In the event of any delay in Seller’s performance due, in whole or in part, to any cause beyond the reasonable control of Seller, Seller shall have such additional time for performance as may be reasonably necessary under the circumstances. Buyer’s acceptance of any Goods shall constitute a waiver by Buyer of any claim for damages on account of any delay in delivery of such Goods.

24. Assignment.

Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement.

25. Relationship of the Parties.

The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

26. No Third-Party Beneficiaries.

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these Terms.

27. Governing Law.

All matters arising out of or relating to this Agreement is governed by and construed in accordance with the internal laws of the State of South Carolina without giving effect to any choice or conflict of law provision or rule (whether of the State of South Carolina or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of South Carolina.

28. Submission to Jurisdiction.

Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of South Carolina in each case located in the City of Hanahan and County of Berkeley, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

29. Notices.

All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the Order Confirmation or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees prepaid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

30. Severability.

If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

31. Survival.

Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Agreement including, but not limited to, the following

provisions: Compliance with Laws, Confidential Information Governing Law, Submission to Jurisdiction, and Survival.

General

Read these instructions carefully when requesting a specific carrier for shipping to Distribution Centers or Stores.

- We do not submit multiple Bills of Lading on the same day. Therefore several Sales Orders may be combined on a Bill of Lading when shipped on the same day to the same address.
- For identification and planning, our Sales Order(s) will be listed on the Bill of Lading for any outbound shipment such as small package, LTL or truckload.
- All outbound shipments from Luonto require a confirmed purchase order.
- All Sales Orders can ship partially unless instructed not to do so in writing from the customers' purchasing department or related buyer.
- Small package, LTL or truckload shipments do not include added Insurance Coverage.
- For shipments to Canada or Mexico please review your Sales Order or contact Customer Service for special instructions.
- All shipments require inspection upon delivery. Any deviation is to be mentioned in the Bill of Lading.
- Air Freight shipments are not allowed unless you have obtained a written quote from our Customer Service and the quote is mutually agreed upon.

Bill of Lading (BOL)

We use a standard Bill of Lading. Alternatively, we may use a form of our choice as it contains the information outlined below. Regardless of the format used, we combine daily shipments (multiple purchase orders) per location onto one Bill of Lading.

- Date of Shipment
- Shipper Name and Shipping Address
- Ship-To Location, as specified on the SO
- Number of pieces
- Purchase Order Number(s) (required)
- Luonto Sales Order Number(s) (required)
- NMFC or Class
- Total Shipment Weight or cubic/feet or Seat Quantity

Packing List

Packing lists are mandatory and included in each shipment. Our packing list contains the following information:

- Date of Shipment

- Name and Shipping Address of Shipper
- Ship-To Location, as specified on the PO
- Item Name and Description
- Purchase Order Number(s) (required)
- Luonto Sales Order Number(s) (required)
- Total Shipment Weight or cubic/feet or Seat Quantity
- Number of packages
- Number of pieces

General Shipping Terms

Prepaid & Add (PPA)

Luonto pays carriers for freight charges, then adds it to the customer's invoice. Note: Payment of freight charge is required.

Collect (COL)

The customer uses a 3rd party carrier to schedule freight pick-up then informs Luonto with appointment information. Luonto has no financial responsibility for freight charges. Customers are invoiced for products only.

Customer Pick Up

Customer will arrange their own business/personal transportation for pick-up at Luonto Distribution Center.

3rd Party

Customers are billed by the carrier for freight charges. Note: Customers must have a billing account number with the 3rd party carrier.

Prepaid

Luonto pays all freight charges. Carrier invoices Luonto. Note: Only available & valid with explicit written approval from Luonto.

Carrier Selection

Luonto uses carriers by territory and ships via best way with the selected carrier unless otherwise instructed by email from the customer. Detailed carrier options by territory are available by request at customerservice@luontofurniture.com.

If your Purchase Order needs special services (white glove, curbside or residential delivery), specific carrier requirements or other instructions check carrier availability by contacting our customer service, customerservice@luontofurniture.com.

Some services, items or locations require specific details, all special requests will be quoted by Luonto and must be mutually agreed upon before shipping.

White Glove Service

White Glove pricing is dependent on order volume, destination zip code and White Glove Service Level. Please refer to our price guide for an accurate pricing estimate. There is **no** White Glove Delivery to **Canada**.

Service Levels

Luonto, through a partner, provides a flawless delivery experience from the time of order entry, to dispatch, and on to the consumer's home.

Standard White Glove (SWG)

This service level provides:

- Appointment scheduling required
- Maximum two (2) flights of stairs
- Unpacking at consumer's home
- Placement of furniture in room of choice
- Up to 20 minutes of onsite light assembly
- Removal of debris
- Signature required

Threshold White Glove (TWG)

This service level provides:

- Appointment scheduling required
- Delivery to first dry area inside home (or outside dry area... such as a garage)
- Maximum two (2) flights of stairs
- No unpacking
- Signature required

Quality Standards

In 1964 Pentti Viitala created our company with the idea that high quality furniture should be available at fair prices. While the company has grown substantially since it was founded in 1964, one simple word, quality, has been passed from one generation to the next and remains the foundation of everything we do.

Quality, for us, is not just about the high grade raw materials we use, our skilled crafts people, or manufacturing processes. Quality applies to the entirety of what we do at Luonto. Sure, it starts with what materials we use and how we construct our furniture, but it also applies to the level of service we provide to our customers, all the way to delivery and beyond. Here at Luonto we aim to deliver every product and service with a high standard of Quality.

Our Quality Standards procedures are used internally and provide our customers with a detailed quality guarantee. These procedures enable us to identify and correct a problem before it can be repeated.

Sales Team Training

We encourage customers to join us in our mission to deliver quality by participating in our sales and product knowledge training(s). And by working with our product specialists to bridge the gap between your expectations and ours and work together on issues of mutual concern. Moreover, office and sales staff should join the Luonto Furniture training program once per quarter to educate staff and ultimately the consumer with up-to-date quality and product knowledge.

Online Training should be scheduled with the Sales and Marketing Department. Doing so enables us to prepare tailored training content for your staff, to improve product knowledge and minimize misinformation (between all parties) at any of your locations. Contact to marketing@luontofurniture.com to make an appointment for your online training.

On-site Training is also available upon request. We will send you our highly-trained Sales Representative and if we deem it necessary, a representative from our company to guide you to success. Contact to marketing@luontofurniture.com to make an appointment for on-site training.

Manufacturing Standards

Construction

- Our frames are built taking advantage of the highest standard raw materials, free from defects such as knots or rotting.

- Plywood frames are cut with CNC technology for accuracy then assembled and secured with glue and staples for safe and trouble-free usage.
- Frames are solid, level and squeak-free
- Some Large Sofas / Sleepers / Sectionals may not fit through narrow entryways, staircases, or elevators. So we have designed our products using superior hardware enabling them to unassemble and reassemble with ease.
- Wooden parts with exposed or finished areas meet the criteria outlined no in Finishes.
- All items are delivered with the best fit protective plastic/felt pads to be attached under the legs.

Fabric and leather

- All furniture is delivered free of blemishes like loose threads, dirt, etc.
- We carefully ensure staples are not exposed and/or risk damage to the material.
- Welting/Piping is even and consistent; seams are not exposed in visible areas.
- All patterns and stitching are aligned evenly.
- Leather scars or other natural characteristics are placed in low visibility areas and do not draw attention.
- Seat foam meets or exceeds California Flammability requirements.
- All items are furnished with product care instructions.
- All upholstered items include a 2"x4" swatch fastened under the frame, in the event extra fabric or leather must be ordered. The swatch does not contain lot numbers or manufacturing dates, however is included within the product manufacturing label.
- Our guidelines for Customer's Own Material (COM) and Customer 's Own Leather (COL) are to be no narrower than 1.53yds (140cm) or area provided respectively. In addition, customers pay the cost to ship COM/COL to our factory in Finland.

Functional Furniture

- All Functional products are designed for comfort as a seat and bed.
- All Functional products function without strain from effort.
- Mechanisms are noise-free and do not bind.
- Products with electric motors and/or components are installed and pre-wired during the production. (connection instructions are included in product manual)
- All items come furnished with instruction manuals and warning labels, especially advising against any possible hazards to children.
- Designed with easy accessibility to maintenance locations. We recommend yearly maintenance intervals to keep functions operating safely and properly.

Finishing

- Laminates and veneers are fully secured and show no signs of separation or splitting.
- All surfaces are properly prepared to avoid rough or flawed finishes.
- Free of all foreign materials, such as dirt, hair, fingerprints etc.
- All exposed and visible areas are completely finished, including the backs of legs.
- Have a consistent appearance, feel, or color (no more than 1/2 a shade).
- Free from paint runs, scratches, dents, and flaking.
- Flat surfaces and other high-exposure areas (tabletops) are free from defects such as fish eyes, craters, wrinkling, and packing marks.
- Factory repairs are permanent and inconspicuous, if not invisible.

Furniture Assembly

- Hardware will be packed carefully within a double-bubble wrapping or foam and visibly secured on top of the seat section (i.e. Legs, keys, supports, brackets, nuts, bolts, screws, hooks, etc.).
- Includes step-by-step Assembly Instructions with photos or diagrams.
- All special tools are included. Other tools needed for assembly can be purchased at your local hardware store.

Informational Manuals

User Information Manual outlines the proper usage for the product and identifies important warnings. This Manual must remain with the furniture and through delivery to the consumer. If the furniture is unwrapped, it is your responsibility to ensure the consumer receives the User Information Manual.

Customer Care Manual outlines the proper care and maintenance for the product. From upholstery conditioning to cleaning, this manual helps the consumer navigate life with the product while not voiding the manufacturer warranty. This Manual must remain with the furniture and through delivery to the consumer. If the furniture is unwrapped, it is your responsibility to ensure the consumer receives the Customer Care Manual.

Packaging Standards

As the manufacturer, we pack all merchandise to protect our product from the normal rigors of the distribution cycle (including but not limited to multiple handlings, common transportation methods, etc.).

We cover all upholstered furniture in its entirety, including the legs (or other accessories), with heavy-gauge double-bubble and plastic wrap, tightly secured atop a carton. Due to the design

of its packaging, packaged merchandise should only be stored on end. Please follow the instructions on all packages for proper handling and opening. If necessary, warning labels are located in visible locations on the outside of the package.

Tables and other wooden accessories are covered completely by a carton with no exposed areas with padding/cushioning of proper material thickness based on the weight of the product protecting the corners and edges. Any moving parts such as legs are secured to prevent motion. Additional parts are securely packaged within the carton to avoid damage.

Accessories are fully wrapped with 1-3 mil thick plastic with a pliability sufficient to withstand the normal rigors of handling.

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- No unpacking
- Signature required