

Selling Policy

This Selling Policy supercedes all previous selling policies. Prices, discounts and product offerings are subject to change without notice.

Terms & Conditions of Sales

Sales by Knoll, Inc. or Knoll North America Corp. ("Seller") of Knoll Product Lines (hereinafter "Products") within the United States and Canada are made only on the terms which are contained in this Selling Policy. Seller hereby gives notice of its objection to any different or additional terms and conditions. This sale is expressly conditional upon Purchaser's assent to the terms and conditions set forth below. Additional terms and conditions may apply to KnollStudio and KnollTextiles orders. These terms and conditions may be modified or supplemented only by a written document signed by an authorized representative of Seller. These terms and conditions supercede any prior and/or contemporaneous agreements or correspondence between Purchaser and Seller. Written quotations expire thirty (30) days from the date of issuance and can be withdrawn by written notice anytime during that period. Where Purchaser and Seller have entered into the Knoll Electronic Terms and Conditions, all orders, acknowledgements, invoices and other business communications placed or transmitted in accordance with the Knoll Electronic Terms and Conditions shall be deemed to be in writing and signed and shall be valid for all purposes as if they were originated and maintained in documentary form.

Ordering Information

All orders must be in writing. The product pattern number(s) contained on Seller's order acknowledgement shall be the final expression of the order.

Order Confirmation

A purchase order is not binding on Seller until Purchaser has received Seller's order confirmation or acknowledgment.

Pricing Policies

List prices are subject to change without notice.

List prices shall be those prices in effect on the date of receipt of a complete purchase order unless shipment is requested more than ninety (90) days after order entry in which case prices in effect on the date of shipment apply. List prices include specified freight costs. Unless specified in writing by Seller, no other charges are included in Seller's list prices.

Taxes

All sales, use, excise and other taxes applicable to the sale of the Products shall be paid by Purchaser. If Purchaser claims an exemption from any tax, Purchaser shall submit to Seller the appropriate exemption certificates.

Terms of Payment

Payment for one hundred percent (100%) of the net order amount is due within thirty (30) days of the date of invoice, which is generally issued upon shipment. In case of any discrepancies, such as shortages, and Seller is notified in writing within ten (10) days of receipt of Product, only that portion may be deducted and the balance paid. For orders greater than \$100,000 net, a fifty percent (50%) deposit is due at the time of order placement, with the remainder due within thirty (30) days of the date of invoice.

KnollStudio orders less than \$2,000 require payment for one hundred percent (100%) of the net order amount (including any applicable sales tax and charges for inside delivery, special packaging, etc.), due at time of order placement. For KnollStudio orders greater than \$2,000, a one-half (50%) deposit is due at time of order placement with the remainder (including any applicable sales tax and charges for inside delivery, special packaging, etc.) due prior to shipment.

If, in the judgment of Seller, Purchaser's financial condition does not justify the terms of the payment, Seller may require full or partial payment in advance.

Past due accounts shall be charged one and one-half percent (1.5%) per month, or the highest rate permitted by law, whichever is less, and will be added to the outstanding balance. In the event Purchaser defaults on payment, Purchaser shall be liable for all collection costs, including reasonable attorney's fees and costs.

Changes and Cancellation

Purchase orders may not be changed or cancelled, in whole or in part, without prior written consent of Seller. Changes may effect delivery dates. Expenses incurred because of changes shall be charged to Purchaser. In the event of cancellations, Purchaser will be liable for reasonable cancellation charges established by Seller. Orders for special Product, orders including "COM" (hereinafter defined) material and orders pursuant to expedited delivery programs, may not be canceled.

Freight Prepaid

Freight is prepaid and included in the price of all Products, except KnollTextiles, within the 48 contiguous United States for orders placed with Knoll, Inc. and within Canada, excluding the Yukon, Northwest Territories, Nunavut and Newfoundland for orders placed with Knoll North America Corp.. Packing is tested for rigorous motion and transportation but is not guaranteed to protect furniture from all conditions. If special packaging is required for any reason, please consult with your sales representative or dealer. Seller shall select the method of shipment and routing. All shipments shall be tailgate deliveries. Freight for all KnollTextiles orders is prepaid and added to the invoice.

Delivery/Freight Charges

Shipments outside the contiguous 48 United States and Canada shall be shipped F.O.B. Origin.

For shipments outside the contiguous United States and Canada, Purchaser is responsible for the cost of freight from point of embarkation, including any handling and transportation charges incidental to loading at the point of departure and unloading at the final destination.

Conditions beyond the control of Seller, including weather, available facilities and traffic conditions, may affect exact time of delivery. Seller shall not be responsible for specific carrier delivery date or time unless it has made a specific delivery commitment, in writing.

Nonstandard methods of shipment and/or additional services are available upon request. Purchaser will be billed for the differential cost of any special services in excess of standard surface carrier freight costs. Premium charges, at Purchaser's request, will be added for airfreight, exclusive use of vehicle and extra, export or special packaging. Accessorial charges will be added for inside delivery, extra labor, reconsignment and redelivery.

Partial shipments may be made and invoiced by Seller.

Claims

All shipments for Knoll Products within the contiguous United States and Canada are F.O.B. Origin. All risk of loss passes to Purchaser at time of delivery to carrier. Purchaser shall inspect all Products upon receipt and notify Seller within ten (10) working days after receipt of any damage or defects which are, or should be, apparent from an inspection of the Product and its packaging. Failure of Purchaser to notify Seller during the ten (10) working day period shall constitute acceptance of the Products and waiver of any apparent defects, errors or shortages. For all claims relating to Product damaged in transit or for any other claims relating to or arising out of the transportation of the Product, Purchaser must seek recovery from the carrier and Seller has no liability to Purchaser for such claims. Seller may, upon request, assist Purchaser with filing of such claims with the carrier, but Seller will not be liable for any of these transportation related claims.

Seller's Security Interest

Until Seller receives the full payment for the Product, Seller shall have a security interest in the Product. Purchaser agrees to perform all acts, including but not limited to the execution and filing of documentation, which may be necessary to perfect and assure the security interest of Seller.

Returns

The return of Products without a written authorization by Seller shall not be accepted. To receive authorization for Product return, please call Customer Service. All Products that are returned pursuant to a valid authorization shall be subject to a twenty-five percent (25%) of list restocking charge. Products not currently offered for sale by Seller (including COM) shall not be authorized for return. All returned Products must be unused, in original condition and in the original Seller packing cartons. No refund or credit shall be given for damaged Products.

Held Orders/Storage

If Purchaser requests that an order be held or delayed, prices and terms and conditions in effect at the time of shipment shall apply. If Purchaser requests a delay after the time when Seller can defer production, Purchaser will be invoiced for the Product, payable in accordance with standard terms, when the order is ready for shipment. Seller may transfer the Product to storage, in which case all expenses incurred in connection with storage, including demurrage, preparation for storage, storage charges and handling shall be payable by Purchaser upon submission of invoices by Seller. Risk of loss to the Product shall pass to the Purchaser upon delivery of the Product into storage.

Customer's Own Material

A Purchaser who requests a fabric or other surface material not standard to Seller's line of Products ("COM") must submit samples of the requested material to Seller prior to entry of a purchaser order. Seller shall determine if the material is suitable to its manufacturing processes and meets any requirements of Underwriters Laboratories. If the COM is acceptable, Seller will then establish a price for using the COM or the Product in question. For a description of the procedures for submitting samples and testing, contact customer resources or your sales representative. Seller shall have no responsibility for the appearance, condition, performance, durability, colorfastness or any other physical attribute of the COM. Purchaser shall indemnify and hold Seller harmless for any damages, injuries or losses arising out of or related to use of the COM on the Product.

Warranty

Seller warrants to the original Purchaser only that the Products Seller manufactures and sells to Purchaser are free of defects in workmanship and materials, during the applicable warranty period set forth below.

Warranty period set forth below is for 24-hour, 7 days a week, multi shift use (includes parts and labor to repair).

Should any failure to conform with this limited warranty appear to a Product listed below during the applicable warranty period from the date of shipment, Seller shall, upon prompt written notice, repair or replace, at its option and costs, the affected part or parts.

Product and Period of Warranty

Lifetime: Antenna Workspaces, *AutoStrada*, *Calibre*, *Crinion Open Table*, *Currents*, *Dividends Horizon*, *Equity*, *Morrison*, *Reff Profiles* laminate, *Series 2 Storage*, *Template* and other non-wood components (except cascade edge worksurfaces, operational parts, controls, electrical, Lighting, *Series 2 Veneer Front Storage*, special or custom products, see below)

12 Years: *Chadwick*, *Essentials Work Chairs*, *Generation by Knoll*, *Life*, *Moment*, *MultiGeneration by Knoll*, *RPM* and *Sapper* seating (except seating upholstery, textiles, leathers and finishes, see below)

10 Years: *Antenna Workspaces*, *AutoStrada*, *Crinion Open Table*, *Reff Profiles* wood components, *Series 2 Veneer Front Storage*, cascade edge worksurfaces, *Wood Casegoods* (Magnusson, The Graham Collection) except wood casegoods upholstered surfaces, see below), *Interaction* tables (except height adjustment mechanisms for *Counterforce*, crank-adjustable, and split-top tables and worksurfaces, see below), *Reuter* overheads, *Reuter* vertical storage, KnollExtra *Sapper Monitor Arm Collection*, Adjustable keyboard mechanisms and platforms, Communication Boards (except fabric board textiles, see below), Smokador collection (except leathers, see below), and *Orchestra Universal Systems Accessories*.

5 Years: Operational parts, controls, electrical, Lighting (except light ballasts, bulbs and power supply, see below), special or custom product, wood veneer products, *Currents* handcrank, *Interaction Counterforce*, *Interaction* crank-adjustable, and split-top mechanisms, *KnollStudio*, CPU storage and all universal storage drawers.

3 Years: Seating upholstery, textiles, leathers and finishes. Fabric boards textiles and Smokador Collection leathers.

2 Years: All other *KnollExtra* product

1 Year: Light ballasts, bulbs and power supply, seating upholstered armpads and soft armpads, wood casegoods upholstered surfaces.

This warranty does not apply to:

- Damage caused by a carrier other than the Seller.
- Normal wear and tear or acts or omissions of parties other than Seller (including user modification, improper use or installation of Products).
- COM or other third party materials applied to Products.
- Products not installed by or under the auspices of a Knoll Dealer.
- Dramatic temperature variations or exposure to unusual conditions.
- Changes in surface finishes, including colorfastness due to aging or exposure to light.
- Except as specifically noted above, textiles and upholstery supplied by *KnollTextiles* (consult current *KnollTextiles* price list for applicable warranty).

Natural variations occurring in wood, marble, and leather shall not be considered defects, and the Seller does not guarantee the colorfastness or matching of the colors, grains or textures, or surface hardness of such materials. The Seller also does not guarantee the colorfastness of fiberglass panel surfaces.

THE EXPRESS WARRANTIES CONTAINED HEREIN ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND ALL OTHER WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.

The remedies provided above are the Purchaser's sole remedies for any failure of Seller to comply with its obligations regarding the workmanship of its Products. Correction of any nonconformity in the manner and for the period of time provided shall constitute complete fulfillment of all liabilities of Seller, with respect to or arising out of the Product furnished hereunder

Delay/Force Majeure

Seller shall not be liable for failure to perform or for delay in performance due to fire, flood, strike or other labor difficulty, act of God, act of any governmental authority or of the Purchaser, riot, embargo, fuel or energy shortage, wrecks or delay in transportation, inability to obtain necessary labor, materials or manufacturing facilities from usual sources or failure of suppliers to meet their contractual obligations, or due to any cause beyond its reasonable control. If any such event occurs, Seller may extend delivery dates by a period of time necessary to overcome the effect of such delay, allocate available Product or cancel any purchase order.

Compliance with Law

PURCHASER IS SOLELY RESPONSIBLE FOR COMPLIANCE WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL LAWS, ORDINANCES, REGULATIONS, RULES AND STANDARDS RELATING TO THE INSTALLATION, MAINTENANCE, USE AND OPERATION OF THE PRODUCTS.

Patents

Subject to the following provisions, Seller shall, at its own expense, defend or, at its option, settle any claim, suit or proceeding brought against the Purchaser, and/or its vendees, mediate and immediate, so far as based on an allegation that any Product or any part thereof furnished hereunder constitutes a direct or a contributory infringement of any claim of any patent of the United States or Canada. This obligation shall be effective only if Purchaser shall have made all payments then due hereunder and if Seller is notified promptly in writing and given authority, information and assistance for the defense of said claim, suit or proceeding. Seller shall pay all damages and costs awarded in such suit or proceedings so defended.

The foregoing indemnity does not apply to the following:

- Products supplied according to a design other than that of Seller, and which is required by the Purchaser.
- Combination of the Product with another product not furnished hereunder unless Seller is a contributory infringer.
- Any settlements of a suit or proceeding made without Seller's written consent.

Limitations of Liability

SELLER, ITS CONTRACTORS, AUTHORIZED DEALERS AND SUBCONTRACTORS OR SUPPLIERS OF ANY TIER SHALL NOT BE LIABLE TO PURCHASER FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM A BREACH OF THIS AGREEMENT.

Purchaser's remedies set forth herein are exclusive and the liability of Seller with respect to the breach of this agreement or any contract entered into between the parties pursuant hereto shall not exceed the price of the Product or part on which such liability is based.