



Carolina Furniture Works, Inc
P. O. Box 1120
Sumter, SC 29151-1120

DEALER AUTHORIZATION POLICIES AND DISCLOSURES:

- 1. Purpose of Policies & Disclosures**
- 2. Authorized Dealer Networks**
- 3. Authorized Sales Locations**
- 4. Terms**
- 5. Certificate of Resale & Taxes**
- 6. Shipments & Transportation Policy**
- 7. Merchandise Returns**
- 8. Warranty**
- 9. Allowances For Discrepancies**
- 10. Unauthorized Deductions**
- 11. Customer Service**
- 12. Policy Acceptance**

1. Purpose of Policies & Disclosures:

This document sets forth policies and disclosures regarding residential and commercial products offered for sale by Carolina Furniture Works, Inc. These policies are established in order to maintain the integrity of our product image, premium-product quality reputation, and to establish consistency of business policies and guidelines within the Carolina Furniture Works, Inc. community.

2. Authorized Dealer Networks:

Carolina Furniture Works, Inc. (CFW, Inc.) believes that our continued growth and success depends on a stable Authorized Dealer network that:

- (a) Concentrates on making products available that are produced or sourced by (CFW, Inc.) and offered for sale through authorized retail or commercial arrangements, brick and mortar locations, other media sales (publications or ecommerce sales), and authorized representatives.
- (b) Employ trained and knowledgeable sales persons.
- (c) Provide pre-sale and post-sale support to the consumer through reps and associates, including accurate and realistic explanation of features and benefits, deluxing, proper delivery and setup.
- (d) Fulfill obligations under (CFW, Inc.) Dealer Authorization Policies.

3. Authorized Sales Locations:

- (a) Authorized Representatives Sales: (Retail and Commercial Representatives) are authorized to sell products as Independent Contractors in a given territory or by prospect registration as set forth by a Sales Representative Agreement between Carolina Furniture Works, Inc. and the Representative. These authorizations include all aspects of sales and marketing and include Retail, Wholesale, Ecommerce, the Design Trade, Third Party Marketing Companies, or Direct Sales with all aspects of Retail and Wholesale levels equally considered for the growth and success of Carolina Furniture Works, Inc.
- (b) Authorized Retail & Wholesale Locations: Authorized Retail or Wholesale Dealers who sell our products from "Brick and Mortar" locations approved by CFW, Inc. These locations are normally established at the time an account is opened. (Locations may include Retail or Wholesale businesses.)

- (c) Authorized Ecommerce Sales: It has been a long standing policy of CFW, Inc. that Carolina products are typically sold from established "Brick and Mortar" locations to persons who have physically visited the Authorized Dealer location. However, CFW, Inc. recognizes the evolution of the Internet and partnership with individual Authorized Retail Dealers to expand their distribution to include Ecommerce Sales. Therefore, Internet Dealer Sales are authorized providing appropriate pictures and descriptions of all CFW, Inc. products are maintained according to company policies and comply with all sales and marketing guidelines that are currently in place or that may be implemented in the future. This includes: Acceptance of the Terms & Conditions and Privacy Policy as published on our Web Site: www.carolinafurnitureworks.com or received in writing from our company offices.
- (d) Authorized House Accounts: Carolina Furniture Works, Inc. reserves the right to designate any number of accounts as House Accounts. House accounts are serviced and maintained by the company without additional representation and most often represent accounts requiring special services or unique marketing objectives that can only be maintained by the company alone. These may include Brick-and-Mortar, Ecommerce, Retail, and Commercial business agreements. House accounts are set up and serviced with the utmost sensitivity to continued growth and success of our loyal Representatives and Dealer base.

4. Terms:

- All orders for Carolina Furniture Works, Inc. are subject to acceptance in accordance with the terms and provisions on our standard acknowledgement form. Orders which have been accepted and acknowledged may be cancelled by Carolina Furniture Works, Inc. prior to shipment if, in its judgment, the Authorized Dealer's credit condition justifies such action or other business reasons dictate that such cancellation should take place.
- In order to establish open terms, CFW, Inc. requires a signed Application with references. The business requesting to be established as an Authorized Dealer or business certifies that all information provided is true and accurate and acknowledges that CFW, Inc. is relying on such information in opening an account and approving terms of credit. In submitting a signed an Application, you are permitting CFW, Inc. to obtain any information it considers necessary from prudent sources concerning the information provided in the application. And, that you acknowledge acceptance of our company policies. (You may submit exceptions in writing * See item No. 12 of this policy) All information is held in confidence and used only for establishing sales opportunities, or Dealerships and terms of sale.
- Where credit has not been approved, or by the request, all orders are processed on a cash before delivery (CBD) basis. Company checks and other forms of payment may require time to process before shipments can be made.
- Delay in payment or non-payment of invoices may result in the delay or withholding of additional shipments and may severely affect future credit accommodations.

5. Certificate of Resale & Taxes:

- CFW, Inc. requires all Authorized Dealers to provide an acceptable Certificate of Resale, which contains a valid sales tax exemption number for their respective states. The factory does not process sales until tax status or exemptions are in compliance. Note: Commercial customers must submit a tax liability statement prior to any sales.
- CFW, Inc. does not collect tax from any state outside of South Carolina. Therefore, any sales made must have validated Certificates of Resale, or a signed form stating reason for exception or acceptance to pay any appropriate taxes due.

6. Shipments & Transportation Policy:

CFW, Inc. expects the consumer to receive appropriate service with respect to our products.

- As a rule, all outgoing freight from Carolina Furniture Works, Inc. is assigned to carriers by dealer request. (**Only in certain instances does CFW, Inc. assign a carrier for dealer deliveries.**) CFW, Inc. however does act as a liaison between carriers and dealers to ensure the best possible service into our sales territories and to the consumer. Freight charges are freight collect unless otherwise noted on the "Shipper's Report".

- Out-bound Shipments are assigned by our Shipper's Report to predetermined authorized location(s) or warehouse(s) unless special delivery programs are in place. All carriers allowed to pick up at Carolina Furniture Works, Inc. must be approved by the factory and placed on the Listing of Carriers. Not all Carriers that are allowed to pick up at our factory are considered a Preferred Carrier. In all cases, service to Consumers must be foremost. All Authorized Dealers or Freight Delivery Services are obligated to adhere to the freight carrier policies established by CFW, Inc. Failure to service the consumer with appropriate service will result in a discontinued partnership with the factory and discontinued shipments.
- Freight Carrier Policies and rules are made available in a separate package and made accessible to all Authorized Representatives, approved Buyers, and Dealers upon request. All damage claims must be reported to the assigned carrier. Carolina Furniture Works, Inc. does not handle freight claims; the freight provider must be notified of any freight discrepancies including concealed damages.

7. Merchandise Returns:

- Dealers and Carrier Providers are permitted to return goods per factory authorization. (See Freight Carrier Policy for Return Authorizations.) A Return Goods Authorization form is available (but not necessary) to track return exceptions. Once a product is returned to the factory (received and validated) an Authorized Representative must handle any claim exceptions for returns - damages or defects. Note: Duplicate orders for replacements must be paid promptly regardless of consumer exceptions. **(Note: Dealers are responsible for Drop or Trans-Shipment exceptions.)**

8. Warranty:

- Please be advised that Carolina does not have a written warranty policy. However, the factory does have an unwritten time proven policy of taking care of factory related discrepancies since 1946.
- Due to Carolina's expanded sales territories, diversification into commercial sales, increasing catalog and internet sales, and sales made from brochures and images; an end user often no longer feels or touches a product until delivery. Therefore, sometimes the product is not what the end user is expecting. The factory also ends up accepting responsibility for carrier freight damages and other mishaps for botched deliveries, local warehouse or handling errors, and repairs due to customer use. Normally, a signed bill of lading by the pick-up carrier or dealer should be enough to release the factory of all further obligations except factory defects. For these reasons, we are requesting that each authorized dealer initiate appropriate repair of damaged goods and assume the cost of repairs as an expense when it is clearly not a factory defect. On the other hand, we encourage you to report factory defects to the factory or Sales Representative without delay. Carolina does not profess to make perfect furniture; however, we do stand behind our products.

9. Allowances for Discrepancies:

- Allowance for discrepancies of any kind should be reported to CFW, Inc. Authorized Representative or directly to the factory. Customer Request for factory service must be submitted using an official CFW, Inc. (CSR) form. CFW, Inc. will issue a credit to the Authorized Dealer's account upon approval, or give reason why service was denied.

10. Unauthorized Deductions:

- Please be advised that Carolina does not tolerate unauthorized deductions for any reason. An unauthorized deduction may result in the curtailment or delay of further shipments until the matter is resolved.

11. Customer Service:

- At Carolina Furniture Works, Inc. we realize a lot of customer service depends on our judgment decisions and willingness to work with customers to resolve problems whenever these occur. Moreover, we appreciate any efforts reps, dealers, or associates can initiate that will challenge Freight Carriers and your staff to assume prudent responsibility of any damages and exceptions. We will in like turn continue to produce the kinds of quality products Carolina Customers have been accustomed to receiving from our factory since 1946.

12. Policy Acceptance:

- If you do not desire to be an Authorized Carolina Dealer under company terms and abide by the policies set forth in this Policy Statement, you may submit written notice of such to the below address. As a rule, Carolina Furniture Works, Inc. does not enter into special agreements with other companies. Our terms and policies are considered sufficient for conducting business.

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Carolina Furniture Works, Inc. is proud of our network of Authorized Dealers and Associates. We hope you will find our line to fit into your organization nicely. If so, we are sure we will accord you the service that will merit your continued support, and trust that this will cement a long relationship. It is our objective to service our customers and strengthen our long-term relationship and support to mutual business partners.