

ARTE INTERIOR FURNISHINGS LTD - RESELLER CRITERIA

Arte nv and its affiliates (hereafter “**Arte**”) are dedicated to creating, manufacturing and distributing the finest quality wallcoverings in the ‘high-end’ interior design and decoration market (hereafter “**Products**”) and to selling these Products through a network of high quality dealers, i.e. any buyer that is reselling our Products (hereafter “**Reseller**”). Our excellent reputation and brand image are based on the intrinsic properties of our Products and the way our Products are being presented and sold to the customer.

Our Reseller network is investing in the marketing of our Products and we must continue to recognize and encourage those Resellers that provide superior customer service and a broad Product selection, and we must take steps to restrict ‘free riding’ by Resellers on the investment being made by other Resellers. To achieve this objective and to maintain our reputation and brand image, we are announcing criteria that Resellers – and their Resellers – will be required to meet in order to become and remain Reseller of our Products.

Advertising

We expect Resellers to position our Products as high quality products and to comply with the guidelines announced from time to time by Arte for the advertising of our Products. “Advertising” includes the placing of any advertisement or promotion, whether in print media (such as magazines, catalogs and brochures), though radio or television, over the internet on Reseller’s website or any other website, or through any other communication method.

Among the advertising guidelines which Arte expects Resellers to comply with are the following:

- a) All promotional materials and advertising media must be consistent with the quality and image of Arte’s brands, and the Products may not be marketed, promoted or sold in a way that, in Arte’s sole opinion, damages or adversely affects Arte’s brand image.
- b) Products may not be sold or supplied for export, directly or via a third party, to any territory outside the EEA (European Economic Area) without Arte’s prior written approval. Resellers will not actively sell the Products into territories in EEA exclusively reserved for Arte, its distributors or agents. If the UK leaves the EEA, you will not actively supply or sell the products in territories outside the UK.
- c) Arte may from time to time announce ‘Recommended Retail Prices’ for the Products that serve as a means for Reseller to set its resale prices, without prejudice to Reseller’s right to determine the price at which it sells the Products.

Showroom

Arte sells only to Resellers who operate a physical showroom which complies with following criteria:

- a) Resellers must only trade from (a) physical showroom(s) agreed with Arte.
- b) Any showroom must be in keeping with the image and quality of Arte’s brand and manned by a sufficient number of staff with knowledge of and experience in interior design and decoration.
- c) The showroom should ideally be at street level or an equivalent prominent position with adequate window space for the proper display of the Products. An adequate display area within the showroom should be given to the Products.
- d) Resellers are required to provide high quality pre-sale and after-sale service to the customer in the showroom, which should be open to the public during normal working hours.
- e) Resellers are required to purchase a representative number of Arte pattern books. This representation should be maintained and a reasonable proportion of new collections should be purchased yearly.

Online sales

We strongly believe in personal, face-to-face promotion of our Products, hence it is not appropriate for our Products to be sold solely using the internet. Any Reseller wishing to promote, market and sell our Products through an internet website (hereafter “Site”) must comply with following criteria:

- a) Operate at least one physical showroom which meets our showroom criteria as set out above, where the customer may obtain advice from trained staff.
- b) Own and operate the Site on which the Products are promoted, marketed and sold, and provide a secure system for payment of the Products.
- c) Reseller’s trading name and trading address must be clearly visible on the Site. Reseller shall not use as (part of) its domain name, any trademarks, trade names or symbols belonging to Arte or which are confusingly similar to those of Arte. The Site’s name may not include names expressly or implicitly stating that the Products displayed on the Site are available for discounted/ reduced prices.
- d) Comply with all reasonable instructions as to the appearance and ‘look & feel’ of the Site requested by Arte from time to time, and ensure that the Products are promoted, marketed and sold in a way that does not damage or adversely affect Arte’s brand image as a result of the name, appearance or content of the Site.
- e) Not bid on any search engine keyword or keyword phrase containing Arte’s brand names or any misspelling of these brand names.
- f) Any representations or images of the Products must be of high quality and any information regarding the Products (descriptions, technical specifications or other) must accurately and clearly describe the Products.
- g) Advertisements, promotions or links to other products or services on the Site should not damage or adversely affect Arte’s brand image.
- h) Provide the highest standard of pre-sale and after-sale service to the customer, equivalent to the level of service provided in the physical showroom, including efficient customer communication and handling of deliveries and product returns.
- i) Notify Arte in writing prior to offering any of the Products via its Site. In addition, Arte must be given a reasonable period of time, in any event no less than 14 days, to approve the use on the Site of its trade names, trademarks and other intellectual property rights together with any representations of or references to the Products.

General

We have unilaterally adopted these criteria and will sell our Products only to Resellers who, in Arte’s sole opinion, advertise and sell our Products in compliance with these criteria.

Where a Reseller sells our Products to other Resellers, such Reseller agrees to inform and to deliver a copy of these criteria to its Resellers who will be equally bound by these criteria.

If Arte determines that a Reseller – or its Reseller – has taken any action inconsistent with these criteria, then Arte, in its sole opinion, reserves the right to (i) give 10 to 20 days notice to remedy any breach of these criteria, or (ii) suspend the supply of the Products to that Reseller for an indefinite period, or (iii) terminate the Reseller’s account permanently giving at least 1 month notice or without notice in case of a serious breach.