



**GENERAL TERMS AND CONDITIONS OF SALE OF BFA SERVICE SRL.
(version 0, effective as of August 1st, 2019)**

1. APPLICABLE TERMS AND CONDITIONS

1.1 These General Terms and Conditions of Sale ("General Sale Conditions") shall form integral part of all orders, order confirmations, sales and deliveries of Products between BFA SERVICE S.r.l. ("Seller") and the buyer ("Buyer") and they shall prevail over any terms and conditions of the Buyer, unless otherwise expressly agreed in writing by the Seller.

1.2 Failure of the Seller to expressly reject the terms and conditions set by the Buyer shall in no event be construed as an acceptance of any terms and conditions of the Buyer. The Buyer's terms and conditions shall only become integral part of the sale of the Products upon condition that the Seller has expressly agreed in writing to their applicability.

1.3 Neither the Seller's commencement of performance nor the Seller's delivery shall be deemed or construed as acceptance of any of the Buyer's terms and conditions.

1.4 Our General Sale Conditions shall apply to any and all future orders placed by the Buyer.

2. PRODUCTS

2.1 The products covered by these General Sale Conditions are those sold by the Seller at the time the order is placed, ("Products"). Catalogues and promotional material shall not constitute an offer and may be modified by the Seller at any time without notice. The information and the technical characteristics of the Products contained in the catalogues, price lists, promotional material and in the Seller's internet website are indicative and do not bind the Seller.

3. ORDERS AND ORDER CONFIRMATIONS

3.1 Orders shall be made in writing and shall be firm for 30 (thirty) calendar days from their receipt by the Seller. Orders shall be deemed accepted and binding only upon written confirmation by the Seller.

4. PRICES

4.1 Unless otherwise indicated in the order confirmation, the prices of the Products are those indicated in the Seller's prevailing price list as of the date of receipt of the order. Such prices are set in Euros, V.A.T. or other sales tax or duty excluded.

4.2 In case of variations in the costs (for example and without limitation: costs of materials and workmanship), or in case of any other fact or circumstance which may affect the price of Products, prices may be varied by the Seller.

4.3 Unless otherwise agreed upon in writing, prices are for delivery at the Seller's designated premises in Verona-Italy (FCA - Incoterms® 2010) and do not include shipping, transport and insurance costs of the Products or of any other material and/or any other cost after delivery, which shall remain for the Buyer's sole account. Any special packaging price is to be quoted separately by the Seller, as Products are supplied with standard pallet packaging as indicated in the Seller's delivery note.

5. PAYMENT

5.1 Terms and methods of payment are those indicated in the Seller's order confirmation, unless otherwise stated in writing by the Seller.

5.2 Irrespective of what set out in the order confirmation and irrespective of the means of payment, the place of performance of the payments, for all legal purposes, shall be at the Seller's offices in Verona -Italy. All costs for issuance of the bills of exchange, bank cheques or other negotiable instruments including all relevant banking expenses, shall be borne by the Buyer.

5.3 Whenever a prepayment or a down-payment is agreed, the same shall be paid by the Buyer at the time of the order confirmation by the Seller. The prepayment or down-payment shall not bear interest.

5.4 In case of payment by installments, should the Buyer fail to honor even one installment or diminish the security granted to the Seller, the latter shall have the right - without prejudice to what set forth under Section 5.6 below - to claim for immediate payment of the entire outstanding amount with forfeiture of any term benefit.

5.5 In case of payment by direct remittance, it shall be made by means of bank transfer via SWIFT - value date in favor of the beneficiary equal to the day on which payment is due - to the bank account indicated by the Seller.

5.6 In case of non-payment or delayed payment, in whole or in part, the Buyer shall be charged with interest at the rate in accordance with the Italian Legislative Decree no. 231/2002. In such an event the Seller shall be further entitled to forthwith:

- a) suspend the production or delivery of any Products and orders in progress, even for different supply;
- b) terminate the related sale contract, with immediate effect in accordance with Art. 1456 of the Italian civil code;
- c) claim for refund of all damages suffered as a consequence of the non-payment or delayed payment;

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- d) retain the down-payment and any other amount so far paid by the Buyer, without prejudice to the Seller's right to proceed for the recovery of any additional damages it may have suffered as a result thereof.
- 5.7 The Buyer shall not be entitled to suspend or delay any payment in case of complaints, defects of the Products or delay in delivery by the Seller.
- 5.8 The Buyer shall act as an independent contractor, purchasing the Products from the Seller and reselling them in its own name and behalf.
- 5.9 The sale of the Products from the Seller to the Buyer do not rise any exclusive territorial right for the Buyer and it does not grant the latter any right or title to be considered as distributor or agent of the Seller.
- 5.10 The Buyer agrees that the Seller is entitled to deduct, as a set off, from any payments that should be made to the Buyer by the Seller all and any amounts due to the Seller by the Buyer, regardless of the reason. Except if previously agreed in writing by the Seller, the Buyer may not deduct as a set off any amount owed by the Seller to the Buyer.

6. DELIVERY

- 6.1 Delivery of the Products and the related transfer of risks shall be deemed effected at the Seller's designated premises in Verona-Italy – FCA Incoterms® 2010. If the loading of the Products is made by the Seller, it is understood that the related cost and risk of damage of the Products during the loading operation shall be borne by the Buyer. The Buyer shall promptly transmit to the Seller all export documents regarding the shipment and transport of the Products and shall indemnify the Seller of any damage in case of breach of this obligation.
- 6.2 Unless otherwise expressly agreed upon by the parties, all costs regarding delivery and shipment of the Products shall be borne by the Buyer.
- 6.3 Time of delivery shall be calculated in business days (in Italy). The delivery dates are not binding for the Seller. In case prepayments or down-payments are agreed, the related delivery period shall start from receipt by the Seller of the prepayment or of the down-payment.
- 6.4 Delivery may be suspended by the Seller:
- (i) in case of failure by the Buyer to make the advance payment or the down-payment provided for in Section 5.3 or failure to pay even one of the installments in accordance with Section 5.4, or diminish the security granted to the Seller under Section 5.4 or in case of failure of payment by the Buyer of any amount due to the Seller under any existing contract;
 - (ii) until all technical and administrative data and information required to properly fulfill the order are received by the Seller.
- 6.5 Should the Seller be prevented from meeting any delivery date due to delays or failure of delivery from its suppliers, interruption or suspension of transport or energy, strikes or union agitations or by reasons of any other event beyond its reasonable control, time of delivery shall cease to run from the day of communication of the impediment to the Buyer. In case the impediment lasts for more than 60 (sixty) days, each party shall be entitled to terminate the contract by giving written notice to the other, without any compensation or indemnity being due by the Seller, which shall have in any case the right to have the Products already manufactured for the Buyer at the time of the communication of the impediment, duly paid by the Buyer and without prejudice of all of any of the Seller's rights.
- 6.6 In case of cancellation by the Buyer of a firm and/or confirmed order as well as in case of non-collection of the Products by the Buyer, the latter shall pay to the Seller a penalty fee equal to 20% (twenty per cent) of the value of the cancelled order and/or non-collected Products, without prejudice to any other Seller's right including the right to claim compensation of any further damage suffered in connection therewith.

7. INTELLECTUAL PROPERTY RIGHTS - CONFIDENTIALITY

- 7.1 The Buyer shall not register or assign the Seller's trademark or any other Seller's distinctive marks names or expressions ("Trademark") nor use the Trademark, to register domain names and/or to build internet sites or web pages, even for the purpose of the promotion and resale of the Products. The Buyer cannot insert or display the Trademark and/or the Products on its own web sites or home pages without explicit written authorization of the Seller. In any case the Buyer undertakes to promptly assign to the Seller, at Buyer's cost, any registration or right on the Trademark, directly or indirectly, obtained in infringement of this Section without any consideration or indemnification being due to the Buyer.
- 7.2 Any right to use the Trademark granted by the Seller to the Buyer is not to be construed as a license in favor of the Buyer. The latter is not entitled to use the Trademark outside or beyond the scope of reselling the Products. Any use of the Trademark by the Buyer shall be strictly in compliance with the commercial standards and policies approved or followed by the Seller. The Buyer undertakes to maintain, preserve, and not to impair the goodwill and the commercial reputation of the Trademark.
- 7.3 The Buyer shall not (except in the proper performance of his duties hereunder) during or after the termination of the commercial relationship with the Seller disclose to any person whatsoever any information relating to the Seller's business or any of its trade secrets or make use of the same in any manner which may be prejudicial to the Seller, except where there is any legal requirement to disclose such information subject to prior information and consultation with the Seller before disclosure.

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7.4 Any documents and information provided by the Seller to the Buyer of any kind such as samples, drawings, descriptions, models and such remain the property of the Seller. They may not be used for other purposes or made available to third parties or reproduced. They shall be returned to the Seller along with any potential copies or reproductions at the Seller's simple request.

8. WARRANTY

8.1 The Seller warrants the Buyer and not the owner of the vehicles mounting the Products, that the Products are free from defects in material and workmanship provided that they are used under correct use and upon condition that maintenance and inspection procedures are carried out in accordance with the Seller's recommendations and instructions.

8.2 This Warranty is granted for 1 (one) year only from delivery.

8.3 No further explicit or implied warranty, whether by operation of law or conventional, including but not limited to any warranty of merchantability and/or fitness for specific purposes, is granted by the seller to the buyer.

8.4 The Warranty does not cover normal wear and tear; nor does it cover the Products or a component of the Products that fails, malfunctions or is damaged as a result of: (a) improper or unauthorized installation, assembly, adjustment, alteration, repair or modification, (including, without limitation, the use of non-genuine Seller's components or materials, unauthorized attachments or changes or modification in the vehicle's configuration, usage, or vocation from that which was originally approved by the Seller); (b) defaults on the parts of suppliers or sub-contractors, force majeure in general and any other causes or circumstances whatsoever beyond the Seller's reasonable control; (c) abuse, or improper use (including, without limitation, loading beyond the specified maximum vehicle weight or altering engine power settings to exceed axle capability); (d) improper or insufficient maintenance (including, without limitation, deviation from approved lubricants, change intervals, or lubrication quantities); (e) damage or corrosion due to environmental conditions; (f) compliance with the Buyer's design and instructions.

8.5 This Warranty does not cover any components/parts nor any assembled parts that are not sold by the Seller and it does not cover wear parts such as, without limitation, hub oil seals, brake rotors or drums, brake shoes assemblies or pads, hub cap gaskets, brake roller retaining clip, blanking, grommets, etc...

8.6 The Buyer shall examine the Products immediately upon delivery and shall notify the Seller in writing of any incomplete or non-conforming consignments as well as of any apparent defects discovered without delay and in any case not later than 10 (ten) calendar days from the delivery of the Products, clearly describing the nature of the defect, clearly indicating the defective Product identification number.

In case of late and/or incomplete notification of defects any of the Buyer's rights shall expire and shall be deemed forfeited, for all legal purposes.

8.7 The Buyer shall hold the defective Products at the Seller's disposal and/or return them to the Seller for evaluation and inspection. No returns are allowed without the Seller's prior written authorization.

8.8 The exclusive remedy under this Warranty shall be, at the Seller's option, the repair or the replacement of the defective Product at the Seller's designated facilities in Verona-Italy, FCA (Incoterms® 2010). Any other intervention and remedy as well as any responsibility for direct, indirect, incidental or consequential damages or any other loss or cost is expressly excluded and waived by the buyer.

8.9 The Seller shall not be responsible for any failures to assist or delays in delivery which are due to causes beyond its reasonable control.

9. RETENTION OF TITLE

9.1 All Products delivered by the Seller to the Buyer are subject to the retention of title clause hereof, although not mentioned in the relevant order confirmation or in other documents of the Seller.

9.2 The Products shall remain the property of the Seller until the invoiced price and any other pertinent obligations of the Buyer have been fully performed by the latter. In case of failure or delay in payment, the Seller shall be entitled to terminate the relevant sale contract forthwith with immediate effect under Art. 1456 of the Italian civil code and claim back the Products. In such an event the Buyer shall be under the obligation to immediately return the Products to the Seller.

9.3 As long as the property of the Products has not passed to the Buyer, the latter shall be bound to treat the Products with the utmost care, and to notify the Seller in writing and without delay of any levy of execution or interference by a third party and immediately inform in writing the third party of the existence of the retention of title in favour of the Seller.

9.4 The Buyer undertakes to perform any and all fulfillments possibly set forth in its country to allow the Seller to enforce such retention of title even towards the Buyer's creditors. Risks for Products' loss or damages occurred after the Seller has delivered the Products shall be the Buyer's responsibility upon delivery of the Products by the Seller.

10. TERMINATION

10.1 Without prejudice to any express provision on termination contained in these General Sale Conditions, the Seller shall have the right to terminate at any time the sale contract in case of breach or failure by the Buyer to perform or observe any material terms and conditions thereof, provided said breach or failure is not cured within 15 (fifteen) days from the receipt of the related notice of complaint specifying the breach and requiring the breach to be remedied.

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10.2 The Seller shall also have the right to terminate the sale contract forthwith with immediate effect under Art. 1456 of the Italian civil code, should any of the following events occur: i) voluntary winding up or discontinuance of the Buyer activity, ii) any kind of insolvency and of insolvency procedure concerning the Buyer including any kind of arrangements with its creditors.

10.3 The termination will not affect any of the Seller's rights accrued at the time of termination or relieve the Buyer of any obligations relative to confidentiality, and of any obligation to indemnify the Seller from any direct, indirect, incidental or consequential damage which arise out from or are in any way connected with any breach of the sale contract.

11. GOVERNING LAW

11.1 These General Sale Conditions and all sale contracts entered into between the Seller and the Buyer shall be governed by the laws of Italy, with exclusion to its conflict of laws provisions. The application of the April 11, 1980 Vienna Convention on International Sale of Goods being expressly excluded (except for what set forth in Article 11 thereof with respect to the form of the contract. Therefore, the requirements under Art. 1341 of the Italian civil code are excluded).

12. JURISDICTION

12.1 Any dispute that may arise out of or relate to any order and sale contracts entered into between the Seller and the Buyer shall be submitted to the exclusive jurisdiction of the Courts of Verona, Italy. As a partial derogation to what set forth above, the Seller shall always be entitled to bring any action or proceedings against the Buyer in any other court of competent jurisdiction.

13. FINAL PROVISIONS

13.1 Any sale contract may be amended only in writing.

13.2 The place of delivery of the Products or performance of the Seller's obligations, for all legal purposes, are at the Seller's premises in Verona-Italy.

13.3 Failure by the Seller to enforce at any time any of the provisions of these General Sale Conditions or of the sales contracts ruled thereby or any of its rights, shall not be construed as a general waiver of such provision or of the right of the Seller to thereafter enforce each and every provision contained therein.

13.4 In the event that any of the provisions of these General Sale Conditions or any of the clauses of the sales contracts governed thereby will be declared null and void or ineffective or contrary to law, the remaining provisions thereof shall continue in full force and effect and the invalid or ineffective portion shall be severed there from and be replaced, when possible, by a provision reflecting the intent of the parties.

13.5 The obligation under this General Sale Conditions and the relevant sales contracts cannot be assigned, delegated or otherwise transferred in whole or in part by the Buyer without the Seller prior written consent and any such attempted assignment or delegation without such consent shall be null and void *ab initio*.

13.6 The Seller reserves the right to change, integrate or vary the General Sale Conditions, by including such variations on the Seller's website www.bfaservice.com, without notice or liability.

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