



GENERAL CONDITIONS OF SALE (1st April 2006)

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These General Conditions of Sale regulate the supply of products by the Seller BREMBOFLEX Spa, with registered office in via Terzi di Sant'Agata n. 15, Brembate Sopra (Bg) – Italia, P.I. 02895490163 (hereinafter referred to as the 'Seller').

These General Conditions of Sale, together with the special conditions applicable to any Offer by the Seller accepted in writing by the Buyer and the Order Confirmation, or rather the various terms and conditions agreed in writing from time to time by the Seller and the Buyer, constitute the contract of sale.

1) ORDERS

1. Offers are valid for 10 days unless otherwise stated. Orders will only be accepted after the Order Confirmation has been dispatched by the Seller. The Buyer is obliged to check that the information shown on the Order Confirmation is correct and to report any errors or request any modifications within 3 working days from the receipt of the Order Confirmation; once this period has elapsed, the conditions shown in the Order Confirmation will be considered fully binding for the Buyer.
2. The minimum amount for an order is two hundred and fifty (250) euros (VAT not included). For smaller orders, a flat-rate amount of thirty (30) euros (VAT not included) will be charged to cover administration costs (packaging, invoicing, etc).
3. Unless otherwise specified in the order confirmation, packaging materials are to be considered free and disposable. Packaging materials which are to be returned and are not done so within 120 days from delivery will be invoiced to the buyer at the following prices:
 - a) Large metallic boxes: one hundred (100) euros;
 - b) Small metallic boxes: eighty (80) euros;
 - c) Pallets, cases or other items: fifty (50) euros;
 - d) Plastic reels for cable: twelve (12) euros;

2) DELIVERY – RIGHT OF EXTENSION AND WITHDRAWAL

1. The delivery terms shown on the Order Confirmation are to be regarded as indicative rather than definitive.
2. The Seller reserves the right to extend the originally anticipated terms for the delivery of the goods, for reasons of a technical nature or due to union disputes (e.g. a strike by employees). Whenever the Seller intends to exercise the right of extension, he will undertake to inform the Buyer at least 7 working days prior to the deadline that was originally anticipated.
3. In the event of the delivery terms being extended by more than 90 working days, the Buyer may withdraw from the contract, without any additional charges and costs being paid by either party.
4. The Seller has the right to withdraw from the contract up until the moment of the effective delivery of the goods to the Buyer, even when the original delivery terms have been extended or in any case when the effective delivery of the goods take place after the established date.
5. In any case, in the event of a delay in the delivery of the goods (which does not exceed six months), the Buyer will not have the possibility to demand rescission due to breach of contract by the Seller.
6. The Seller reserves the right to carry out partial deliveries and, for technical reasons, to deliver the required amount with a tolerance of ten per cent (10%).

3) CONFORMITY – EXCLUSION OF THE GUARANTEE

1. Unless otherwise specified in the Order Confirmation, the Seller does not guarantee that the goods meet specific manufacturing or transformation requirements.
2. Unless otherwise specified in the Order Confirmation, the supplied goods are produced in conformity with the Seller's specifications and/or designs. The Seller reserves the right to apply any variation that he considers necessary without notice.
3. The conformity of the delivered goods to the contract will be determined on the basis of the condition of the goods at the moment of delivery.
4. At the moment of unloading the goods, the Buyer is obliged to check that the information shown on the transport documents (gross weight, net weight, number of packages) corresponds to the goods that have been received. In the event of a dispute regarding the quantity received, the Buyer must inform the Seller in writing, indicating the gross weight, net weight and number of packages counted, leaving the original packaging intact and available for inspection by a representative of the Seller.
5. The quantities of the goods shown on the sales documents are determined:
 - a. For loose pipe fittings: by dividing the net weight (with a scale/piece counter) by the reference weight of sample fittings, taken from the same supply lot;
 - b. for braided pipe in rolls: by dividing the net weight by the reference weight of a 1mt sample, taken from the same supply lot;
 - c. for braided pipe in pieces: by dividing the net weight by the reference weight of some pieces of pipe, taken from the same supply lot;



- d. for flexible pipe, by dividing the net weight by the reference weight of sample pieces, taken from the same supply lot; all other methods for determining the quantity of goods are not considered valid, unless otherwise decided by the Seller.
- The Seller's guarantee against defects in the delivered goods is excluded, pursuant to and in accordance with art. 1490, paragraph 2 of the Italian civil code.
 - Any complaints or disputes regarding a single delivery of goods will not exempt the Buyer from the obligation of collecting the remaining quantity of goods within the limits of the order or the commitment.

4) RESPONSIBILITY OF THE MANUFACTURER

- The goods are supplied in accordance with the provisions of part IV, note II of legislative decree n. 206/2005, concerning the responsibility of the manufacturer.
- Compensation for any damages will only be due in cases that involve the responsibility of the Seller. The hypotheses regarding the exclusion of responsibility listed by art. 118 of legislative decree n. 206/2005 must also be taken into account. In any case, compensation will not be paid for any costs incurred, directly or indirectly, by third parties such as retailers and installers, for transportation, travel, inspections, dismantling, reassembly, return of materials, etc..
- The Seller is in no way responsible for defects due to incorrect storage or handling by the Buyer, irregular use of the goods or transformation of the goods as a result of climatic circumstances.
- The Seller is in no way responsible for defects due to oxidation, corrosion, electrostatic erosion and stress corrosion. These phenomena can corrode items and components made from aluminium, steel and galvanised iron, stainless steel and brass, and can be triggered off by the surrounding environment, following the dispersion of electrical current or detergents.
- The Buyer is obliged to inform the Seller immediately if he discovers that the goods delivered by the Seller belong to a type that is protected by a patent for industrial invention issued to a third party or, more generally, to a type that is subject of a title or a right of industrial ownership belonging to a third party.

A Buyer who is summoned to court by a third party – who claims to be the holder of a patent for industrial invention or, more generally, of a title or a right of industrial ownership violated by the goods produced by the Seller being put into circulation – must cite the Seller. If he does not and is convicted definitively, he loses, in whole or in part, the right to appeal against the Seller, if the Seller proves that sufficient reasons exist to have the claim rejected in whole or in part. The Buyer who has spontaneously acknowledged the claim of the third party loses, in whole or in part, the right to appeal against the Seller, if he cannot prove that sufficient reasons exist to have the claim rejected in whole or in part.

In the event of criminal prosecution against the Buyer for the counterfeiting, alteration or use of trademarks of artistic works or industrial goods (art. 473 penal code), the trade of products with counterfeit trademarks (art. 474 penal code), the sale of industrial goods with false trademarks (art. 517 penal code) or the sale of items in violation of a title of industrial ownership (art. 127, paragraph 1, legislative decree n. 30/2005), also through the supply, importation, storage, sale and/or utilisation of the Seller's goods, the Buyer will immediately inform the Seller of this in writing.

The Seller is exempt from all responsibility for any extraordinary use or special application of the delivered goods by the Buyer or a third party which constitutes an infringement of a third party's patent or the violation of a patent for industrial invention issued to a third party or a title or a right of industrial ownership belonging to a third party.

5) PAYMENT – EXPRESS RESOLUTIVE CLAUSE

- Notwithstanding any contrary arrangement, every invoice or part of an invoice that is not paid by the due date will be subject to interest, with full rights and without being placed in default, from the day following the due date. The interest rate of the Central European Bank will be applied, increased by seven percentage points and rounded up to the nearest half percentage point. Furthermore, all invoices issued to the Buyer and not yet overdue will become immediately payable.
- Any sum still owing after the due date will also be increased by a lump-sum indemnity, payable as a lump-sum compensation payment to cover expenses resulting from the measures taken for the recovery of credit, equal to ten per cent (10%) of the unpaid sum or in any case equal to a minimum of fifty (50) euros.
- In any case, the greater damage suffered by the Seller remains recoupable, in accordance with art. 1224, paragraph 2 of the civil code.
- The sales contract will be rescinded in the event of non-payment by the Buyer within 30 days of the established date: in accordance with art. 1456, paragraph 2 of the Italian civil code, the rescission will occur by right if the Seller declares to the Buyer in writing that he intends to take advantage of this express resolutive clause.
- The Seller has the right to demand, at his own discretion and to his own satisfaction, guarantees regarding the payment. When the financial condition of the Buyer reaches such a point that it becomes obvious that the payment is in jeopardy, or if the Buyer fails to provide sufficient guarantees to this regard, the Seller has the right to:
 - Discontinue any deliveries to the Buyer, in relation to both the contract in question and other contracts;
 - For all goods that have already been delivered, take every available measure to help prevent the Buyer taking possession of these goods and guarantee the rights of the Seller.



- The provisions of point 5 also apply in the event of it being ascertained that the Buyer also has difficulty in making payments to third parties; they will also apply in the event of the variation, of any kind, of the Buyer's business name, constitution or commercial capacity which is the consequence of the objective difficulty of the Buyer to fulfil his obligations.

6) RESERVATION OF OWNERSHIP AGREEMENT

- The delivered goods remain the property of the Seller until the moment of the complete payment of the invoice or, when this is to be settled by means of cheque or bill, until the moment of the encashment of the latter. The same rule applies in the case of partial deliveries or payments.
- The Buyer will assume the risks related to the sold goods from the moment of their delivery.
- The reservation of ownership agreement is enforceable against the creditors of the buyer and against third-party assignees by the buyer, in accordance with the current regulations.
- The Buyer undertakes to confirm the reservation of ownership agreement in the individual invoices for his subsequent deliveries, which must have a certified date and be duly entered into his accounts. In the event of him failing to fulfil this obligation, the Buyer will be bound to indemnify all damages suffered by the Seller as a result of the consequent inability to enforce the reservation of ownership agreement against the creditors of the buyer and against the assignees (third-party sub-buyers and other parties) by the Buyer.
- The Buyer undertakes to inform his assignees (third-party sub-buyers and other parties) in writing of the reservation of ownership agreement. In the event of him failing to fulfil this obligation and in any other case – regardless of whether or not the Buyer is at fault – in which the reservation of ownership agreement cannot be enforced against the assignees by the Buyer, the latter, on the Seller's request, will transfer to the Seller all credits claimed against his assignees, except the indemnity for damages suffered by the Seller in the event of violation of the obligation to inform his assignees in writing of the reservation of ownership agreement. Notwithstanding, the Seller undertakes not to demand the credits claimed by the Buyer against his assignees on condition that the Buyer correctly fulfils his own payment obligations.
- If the goods sold under reservation of ownership are processed together with other goods that do not belong to the Seller and it is not possible to separate them without considerable deterioration, the Seller shall acquire co-ownership of the new commodity on the basis of the difference in value between the goods for which ownership is reserved and the total value of the new commodity.

7) JURISDICTION, COMPETENCE AND APPLICABLE LEGISLATION

- The parties hereby declare that they accept the jurisdiction of the Italian Judicial Authority, even for those disputes that do not fall within the limits of Italian jurisdiction pursuant to art. 3 of law n. 218/1995, so that any disputes arising from this sales contract, including those related to the validity, effectiveness, interpretation, execution, rescission and dissolution of the contract itself, will be decided by the Italian Court.
- The Court of Bergamo will have exclusive jurisdiction with regard to any disputes arising from this sales contract, including those related to the validity, effectiveness, interpretation, execution, rescission and dissolution of the contract itself.
- The parties hereby establish that all parts of this contract will be regulated by Italian law.

The undersigned Buyer.....

hereby declares that he has received a copy, which he has verified as being true to the original, of the General Conditions of Sale shown above which he approves in full, confirming that these conditions constitute an integral and substantial part of every sales contract stipulated between the undersigned and the Seller, BREMBOFLEX Spa.

date.....

THE BUYER (Stamp and signature)

Pursuant to and in accordance with arts. 1341-1342 of the Italian civil code, the undersigned Buyer hereby declares, moreover, that he specifically approves the following clauses: n.1 (Orders); n. 2 (Delivery – Right of extension and withdrawal); n. 3 (Conformity – Exclusion of the guarantee); n. 4 (Responsibility of the manufacturer); n. 6 (Reservation of ownership agreement); n. 7 (Jurisdiction, competence and applicable legislation).

date.....

THE BUYER (Stamp and signature)
