

## **General Terms and conditions of Race Seats**

### **1.Scope**

1.1 These terms and condition shall apply exclusively to all deliveries, services and quotations from Race Seats. Any Counter-confirmations of the Customer with reference to his own terms and conditions and/or conditions of purchase are hereby expressly excluded. Nor shall the latter apply if Race Seats executes unconditionally with knowledge of conflicting terms and conditions of the Customer

### **2.Quotation and Conclusion of a Contract**

2.1 Quotations from Race Seats are always subject to change and never binding. Unless agreed otherwise, prices are net prices ex works, although inclusive of standard Race Seats packaging.

These prices, plus the statutory amount of VAT, delivery costs, customs duties and any additional import charger, shall be paid by the Customer in full.

2.2 Drawings, illustrations weights or other performance figures contained in catalogues, price lists or other Race Seats advertising material only represent a guaranteed condition if this is expressly stated.

### **3.Execution of Deliveries and Services/Acceptance**

3.1 Unless expressly agreed otherwise, dates and delivery periods are not binding.

3.2 In the event of circumstances at Race Seats or at a supplier of Race Seats, which prevent Race Seats from supplying a delivery at that time or permanently or under reasonable economic conditions through no fault of Race Seats and through no fault of the supplier attributable to Race Seats (e.g. Material procurement difficulties, breakdowns, strikes, lockouts, transport shortages, official orders and all acts of God), Race Seats is released from the obligation to supply for the duration of the circumstances and their consequences. Race Seats shall inform the Customer immediately if such circumstances occur. If the circumstances last longer than three months, the Customer is entitled to rescind the part of the contract that has not yet been fulfilled at that time following a reasonable period of grace. Race Seats can rescind the contract if the circumstances have produced an unreasonably large order surplus, or if the economic conditions have changed considerably in another way.

If, in the event of circumstances described above, Race Seats does not have sufficient quantities of goods to satisfy all Customers, Race Seats is entitled to reduce all commitments to supply at its own discretion, exercising all due care and diligence, and is released from obligations to supply.

3.4 Race Seats is entitled to deliver and provide services in instalments at all times. Race Seats is entitled to deviate from the agreed delivery or service provided that this is deemed reasonable and appropriate for the Customer.

3.5 The Customer must cooperate in the acceptance of goods and services and inform Race Seats of difficult delivery conditions in good time.

3.6 If the dispatch or delivery of goods is delayed due to reason for which the Customer is responsible, Race Seats is entitled to charge the Customer the costs arising from the storage of such goods, at least 1% of the imputed invoice amount for storage of goods in Race Seats warehouse, starting from one month after notification that the goods are ready to dispatch/deliver and for each month of storage or any part thereof, unless the Customer can prove that no damage has resulted or damage has not resulted to this extent.

### **4 Passage of Risk**

4.1 The risk of accidental damage passes to Customer as soon as the delivery has been handed to the carrier or has left Race Seats storage for the purpose of dispatch or if Race Seats has informed the Customer that goods are ready to dispatch.

4.2 If Race Seats follows shipment instructions issues by the Customer, it does so at the risk of the Customer. Race Seats only accepts liability under the condition of § 5 of these terms and conditions.

4.3 Any agreements regarding transport and insurance costs relate purely to expenses and do not affect the passage of risk.

4.4 At the request and expense of the Customer, Race Seats shall insure the delivery against damage caused in transit, breakage, fire damage and accidental damage.

4.5 If Incoterms are agreed, the current version of each of these terms is valid.

4.6 At the date of this contract delivery terms are Incoterms 2000 Ex works (EXW).

### **5.Claims Arising from Faults/Liability**

5.1 Race Seats accepts the liability that the goods to be supplied are free of material defects or defects in title that render them unsuitable or considerably reduce their suitability. This does not include defects caused by improper use, incorrect assembly, provided the assembly instructions are correct, unauthorized modification or similar circumstances occurring within the sphere of the Customer.

5.2 The limitation period for claims arising from defects is one year from delivery of the goods. This period also applies to claims arising from tort that are based on a defect in the goods. In the event of liability for the breach of obligations relating to subsidiary or preliminary contractual duty, or due to

tort that is not based on a defect in the goods, the claims of the Customer lapse two years after delivery.

5.3 If the Customer is a trader, his claims arising from a defect require the Customer to have fulfilled his obligation to examine the goods and lodge a complaint immediately and appropriately, particularly in the event of incomplete deliveries, as a necessary prior condition. The Customer shall enable Race Seats to examine the goods in a reasonable and appropriate way.

5.4 Provided that the goods are faulty, Race Seats is entitled to choose between rectifying the fault and supplying replacement goods. If Race Seats is not prepared or not in position to rectify the fault or supply replacement goods, or Race Seats refuses to do so or fails to do so within a reasonable time period due to reason for which Race Seats is responsible, or fails in any other way to rectify the fault or supply replacement goods, the Customer entitled to choose between rescinding the contract or demanding an appropriate reduction in the purchase price.

5.5 If the Customer is entitled to return the goods, they must be returned in accordance with the instructions provided by Race Seats following consultation with Race Seats.

5.6 The Customer is not entitled to rescind the contract as a result of faulty goods in cases in which the Customer is unable to return the goods received and this is not due to the fact that it is impossible to return it due to the nature of the goods received, it must be returned due to reason for which Race Seats is responsible or a fault did not become apparent until the goods were processed or altered. If faulty goods or incomplete deliveries are supplied, the Customer is only entitled to rescind the entire contract and to damages instead of the entire fulfillment if an objective measure is applied in order to confirm that he has no interest in the fulfillment rendered.

5.7 Unless specified otherwise in points 5.8 to 5.1 below, the Customer may not make any claims that go beyond those covered in points 5.1 to 5.6 – irrespective of the legal justifications. This particularly applies to liability for advice, comments and information. Therefore, Race Seats does not accept liability for damages not caused to the goods themselves and in particular, Race seats does not accept liability for lost or other economic losses of the Customer.

5.8 The above liability disclaimer does not apply if the cause of the damage is based on intent or gross negligence on the part of Race Seats, its management or persons involved in the fulfilling of the owed obligations in accordance with §278 German Civil Code. Nor does it apply if the Customer puts forward claims for damages instead of the entire fulfillment due to the absence of a condition of the goods guaranteed by Race Seats, due to a defect maliciously kept quiet by Race Seats or due to loss of life, personal injury or damage to health.

5.9 If Race Seats has culpably breached an important contractual obligation or a “cardinal obligation” and in cases of initial impossibility of which Race Seats was aware or should have been aware on entering into the contact, the above liability disclaimer does not apply.

In this case, the liability of Race Seats is limited to the damage typical of the contract, otherwise, Race Seats is not liable in accordance with point 5.7.

5.10 The above liability disclaimer also does not apply to claims arising from the product liability law. If the clause limiting liability in point 5.9 does not apply, the liability of Race Seats in respect of claims arising from product liability is limited to the supply price .

5.11 If the above exceptions to the limitation of liability (points 5.8 to 5.10) apply, unlike point 5.2, the statutory period of limitation applies.

5.12 Claims arising from a defect may only be made against Race Seats by the Customer and are not transferable.

5.13 If Race Seats is not liable of has limited liability, this also applies to the personal liability of its employees, co-workers, representatives and persons involved in fulfilling an obligation.

### **6.Product Liability**

6.1 If the Customer sells the supplied goods or products that were manufactured using the goods, the sales should be documented so that his customers can be traced. The Customer is obligated to place his customer under a corresponding obligation provided that the latter are able to keep documentation and it is reasonable and appropriate to do so.

6.2 The Customer shall support Race Seats in every way in the defence of claims relating to product liability if this is deemed reasonable and appropriate. In particular, on request, processing to which Race Seats goods have been subject and the proportion of goods supplied by Race Seats in the product manufactured by the Customer.

6.3 The Customer shall inform Race Seats immediately about any claims or other abnormalities in connection with the goods supplied by Race Seats.

### **7. Copyright and Industrial Property Rights**

7.1 Should a claim relating to goods supplied by Race Seats be made against the Customer due to infringement of industrial and intellectual property rights, he shall inform Race Seats immediately and regularly about all matters concerning such a claim and, in particular, provide Race Seats with the necessary information and documentation. He shall appoint a solicitor or

patent lawyer retained by Race Seats to manage any disputes. The Customer remains free to appoint an additional lawyer.

7.2 Race Seats is not obligated to check specifications presented by the Customer for the infringement of industrial property rights.

7.3 Race Seats is entitled to destroy customer-specific masks designed for the Customer one year after the last delivery to the Customer without informing the Customer first.

Unless agreed otherwise, the Customer has a non-exclusive, non-transferable right to use customer-specific masks.

#### **8. Retention of title**

8.1 The goods remain the title of Race Seats until all claims of Race Seats against the Customer arising from the business relationship, irrespective of the legal justification, including any claims arising in the future, have been settled (goods subject to reservations of ownership). This also applies if individual or all claims of Race Seats have been incorporated into a current account and the account balance has been settled and acknowledged.

#### **9. Prices and Payment**

9.1 The agreement prices may be increased if the agreed delivery period is more than four months and if and provided that the total production costs (e.g. increase in material costs and labour, increase in import duties and taxes) have increased. If the price increases by more than 5%, the Customer can rescind the contract in writing within one week of receipt of the notification of the price increase.

9.2 All Race seats invoices are payable in full within 30 days of the invoice date. Unless agreed otherwise, this or any other agreed payment period does not apply if a delivery would cause the size of the debt owed to Race Seats – payable and not yet payable – to exceed a contract. In this case, the amount by which the credit limit has been exceeded payable immediately. The rights of Race Seats in point 9.5 of these terms and conditions remain unaffected the above terms.

9.3 Even if the Customer operates under conflicting terms, race Seats is entitled to offset payments against older debts first. If costs have already been incurred Race Seats is entitled to offset the payment against costs in the first instance, then against interest and finally against the principal obligation. In the event of payment by cheque or bill, payment is not deemed to have been made until the paper currency has been cashed. The Customer shall bear all costs incurred as a result of discounting cheques and bills. Race seats does not accept liability for punctual and appropriate presentation, objection and notification.

9.4 If the Customer falls behind with payments, Race seats is entitled to charge interest at a rate of 8% above the base rate from the relevant date. Race Seats reserves the right to assert a further claim arising from delayed payment.

9.5 If the Customer fails to meet his payment obligations after entering into the contract, in particular if he fails to honour a cheque or stops payments or if Race Seats becomes aware of any other circumstances that seriously call into question the creditworthiness of the Customer after entering into the contract, Race Seats is entitled to demand payment of all remaining debt. This also applies if cheques were accepted. Objections from the Customer, other than those starting that a payment period had been granted, remain unaffected. In the cases described above, Race Seats is also entitled to demand prepayment or security before supplying goods. This entitlement also exist if a delivery would cause the size of the debt owed to Race seats – payable or not payable – to exceed a credit limit of which the Customer was notified prior to formation of the corresponding contract unless Race Seats should have recognised this before entering into the contract or the Customer reduces the balance of the debt to such an extent that the credit limit is not reached as a result of the delivery in question.

9.6 The Customer is not entitled to offset or withhold payment unless the counterclaim has been deemed indisputable or legally enforceable.

#### **10. Cancellation**

10.1 Cancellations of orders that have placed require the approval of Race Seats, which is only given in exceptional cases.

10.2 If Race Seats approves a cancellation request from the Customer, the Customer must usually pay cancellation costs according to the table below. The cancellation period on which the table based is calculated from the difference between the first delivery date specified by Race Seats and the calendar week in which the Customer's cancellation request is received at Race Seats. If the delivery date was subsequently brought forward at the request of the Customer, this date applies. The table only applies to the product groups listed. In other cases, a special agreement must be reached.

#### **Seats, pads, development tools ,and socket punch**

<b>Cancellation Period in Calendar Weeks</b>	<b>Cancellation Fee as a % of the Purchase Price</b>
0-4	100
5-8	80
9-10	60
11-17	25
18 or more	0

#### **11. Applicable Law, Court of Jurisdiction, Export Restrictions, Customs Clearance**

11.1 The law of Italian Republic applies to the legal relationship between Race Seats and the Customer .

11.2 Should individual clauses in these terms and conditions be or become invalid according to the applicable Italian law or a national law in the Customer's country of residence, which cannot be ceded effectively by the above choice of law, the validity of the remaining clauses remains unaffected. The invalid clause shall be replaced by a clause that comes closest in terms of economic sense to the clause that Race Seats and the Customer would have wanted.

11.3 If supplied goods are subject to Italian, European and/or non-European export controls, the Customer shall comply with the relevant export control regulations in the event that the goods are exported and/or re-exported. If deliveries are exported without payment of duty at the request of the Customer, the Customer accepts liability for any subsequent customs administration claims with respect to Race Seats.