



LGB s.r.l.  
Via Romania, N° 7  
35127 PADOVA Z.I.  
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Q10 All.04 rev.00

## GENERAL CONDITIONS OF SALE

### 1 – PURPOSE AND SCOPE OF THE PRESENT TERMS AND CONDITIONS

1.1 – The present General Sales Conditions (GSC) govern all orders addressed to LGB Elettropompe S.r.l. (hereinafter referred to as LGB) for the supply of electric motor pumps and electric motors and form an essential and binding part, prevailing over any other conditions or clauses contained in communications (orders or other documents) proposed by the customer.

1.2 – The General or Special conditions of purchase / supply included or referred to by the customer in its communications (whether in orders and/or in any other type of documentation) are not therefore in any way binding to LGB, unless LGB has specifically approved in writing, not being able therefore to be binding either as a result of tacit consent. The special conditions may be agreed upon in writing by the parties or included in the written Order confirmation by LGB in any case must be coordinated with the GSC.

1.3 – LGB reserves in any case to carry out in writing the periodic review of the GSC, whose updated version will be promptly made available to the customer.

1.4 – If one or more clauses contained in the GSC or in the contract or in the order is cancelled or is declared invalid or unenforceable pursuant to applicable laws, this shall not affect the validity of the remaining clauses in the GSC. The authentic version of the present GSC is written in Italian language, regardless of the fact that the authentic version is translated into other languages and is the only version to be valid and binding to the parties.

### 2 – CONTRACT FORMATION

**2.1 - The supply contract is concluded with the written confirmation (sent for example by mail, fax or e-mail) by LGB for acceptance of the order.**

2.2 – However, if the conditions indicated in the Customer's order differ from those of the written confirmation by LGB, the latter are sustained as a new proposal and the contract comes into effect only and exclusively when the Customer expressly accepts in writing (sent for example by mail, fax or e-mail) the new proposal without reservation within 2 (two) working days from the date of receipt of the LGB confirmation containing the terms differing from the original order. After expiry of this period the new proposal by LGB is intended to all effects invalidated.

2.3 – Orders regularly accepted by LGB cannot be cancelled by the Customer without the written consent of LGB.

### 3 – SPECIFICATIONS, DRAWINGS AND DOCUMENTS RELATING TO SUPPLY

3.1 – The data and illustrations resulting from catalogues, brochures, circular letters or other illustrative documents by LGB are of an indicative nature. These data are not binding unless expressly mentioned as such in the LGB order confirmation.

3.2 – LGB reserves the right to introduce at any time modifications to its products that it considers convenient.



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3.3 – If the Customer proposes modifications to LGB products, so that such modifications become binding, there must be a fully written agreement between the parties with regard to the variations that such modifications may result on prices and delivery periods previously established. The prices may also undergo variations if the quantities ordered are reduced or an earlier delivery date is requested compared to the date previously agreed upon.

3.4 – The Customer expressly agrees not to use, for reasons other than those provided in the contract of supply, drawings, technical information and other findings related to the supply, which remain the property of LGB and that the customer cannot deliver to third parties nor reproduce without written authorization.

3.5 – The Customer is obliged to inform LGB in pre-contractual stage, the existence of any special regulations to be observed in the country of final destination of the goods to be supplied.

#### **4 – PRICES AND EXEMPTIONS**

4.1 – The sales prices, quoted in Euro, are those enlisted in the LGB Price List in force at the time of the submission of the Order by the Customer or, if the product is not included in the price list or the price list is not available, those prices indicated in the written confirmation by LGB for acceptance of the order. Except where otherwise agreed upon in writing between the parties, the prices are referred to products only and do not include taxes, shipping fees, nor other fees and expenses such as, for example but not limited to, the costs of packaging and labeling of the products, permits, certificates, stamp duties, customs fees, registrations. These costs have to be incurred separately by the Customer.

4.2 – LGB reserves the right to modify unilaterally, without prior notice and with immediate effect, the prices shown in the price list in cases where the adjustment is due to circumstances which are beyond the control of LGB itself (for example: an increase in the price of raw materials and labor costs or changes in exchange rates). In all other cases, the modification will be communicated to the Customer and shall take effect on all orders received by LGB starting from the date agreed upon with the Customer.

4.3 – Unless otherwise agreed in writing, it is not included in the supply not even the system's project, the installation of equipment supplied, specific tests, manuals and training courses, start-up assistance and all benefits and expenses not mentioned in the written confirmation by LGB at the time of order acceptance.

#### **5 – TRANSFER OF RISK AND DELIVERY CONDITIONS**

5.1 – Unless otherwise agreed, the supply is intended for goods delivered Ex Works LGB, without packing INCOTERMS 2010.

5.2 – With the handover of the goods to the Customer or the customer's carrier, LGB is released from any obligation of delivery and all liabilities and risks, no exceptions, even if goods pass to the Customer when LGB is in charge of the delivery or of the installation on site.

5.3 – Subject to the provisions stated in Section 5.2, where, by written agreement as shown in the order confirmation, LGB is required to provide for the transportation of the products, LGB will choose the means of transport as it deems appropriate: all costs, however, to be borne by the Customer.

5.4 – The delivery terms are of an indicative nature, shall be reckoned in working days and are not essential terms pursuant to art. 1457 of Italian Code of Civil Law. They, however, do not include shipping times. LGB is therefore exonerated from any responsibility for any alleged damages due to delivery delays.

5.5 – The delivery terms are understood established in favor of LGB: the Customer therefore may not claim to receive delivery of nor refuse to accept delivery of the goods before the determined date.



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5.6 – Unless otherwise agreed by the parties, the delivery terms start from the time of the conclusion of the contract, unless the Customer has to pay the price in advance or part of the price as a deposit, because then the start time of the terms is suspended until such time that payment has been provided for.

5.7 – Suspension of delivery terms,

- 1) if the Customer fails to provide, in due time, data or materials needed for the supply or requires variations during implementation, or even delays in responding to the request for approval of drawings or diagrams;
- 2) if circumstances beyond goodwill and diligence of LGB, including by way of example but not limited to subcontractors delays, prevent or render excessively onerous the delivery within the terms stipulated,

the delivery terms are suspended for the time necessary to meet the requirements referred to in the above mentioned points and therefore automatically are extended for a period of time equal to the duration of the suspension.

5.8 – In the event that the Customer is not in compliance with the payments, also with other supplies, the terms' start time is suspended and LGB may suspend / delay deliveries, also other supplies, until the Customer has paid the sums due or has provided adequate guarantees of payment under art. 5.9.

5.9 – In the case of delayed payments as well as in the event that LGB has reason to fear that the Customer is unable to pay or unwilling to pay for the Products on the agreed date, LGB, aside from suspending / delaying deliveries, can still subordinate the deliveries to the provision of adequate assurance of payment (e.g.: surety or bank guarantee).

5.10 – Except as provided in the following art. 12, in the case of failure to take delivery of the goods by the Customer due to its liability, or for reasons beyond the control of the LGB, the Customer bears the risks and costs of the custody of the goods from the date when the Customer was informed that the goods were ready for dispatch.

5.11 – If the parties have agreed that, in the event of delayed delivery, LGB is liable to pay a sum by way of penalty, the Customer cannot ask for sums in excess of the penalty as compensation for the damage sustained and / or to undergo due to the delay.

## **6 – TESTING AND ASSEMBLY**

6.1 – Special testing, if provided for in the written confirmation of acceptance of the order, will be carried out at the expense of the Customer in the establishment designated by LGB.

6.2 – Installation and testing on site, if requested and provided in the LGB written confirmation of acceptance of the order, will be carried out by LGB at the expense of the Customer.



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## **7 – PAYMENTS**

7.1 – Unless otherwise agreed upon, payments must be made by the Customer within the deadlines, to be regarded as mandatory and in favor of LGB, as provided in the LGB written confirmation of acceptance of the order located at LGB address or at the Credit Institute indicated by LGB: in case of delay the Customer will be required to pay interest on arrears, which will be counted as full right and without the need for formal notice to the extent of the default rate interest to be applied in delayed payments in commercial transactions, published by the Ministry of Economy and Finance, increased by seven points, in addition to the merging of any legal fees incurred in the recovery of the debt and except in any case the right to LGB to claim additional damages sustained and to suspend the delivery of products or to terminate, pursuant to following art. 12. The suspension of deliveries or termination of the contract will not entitle the Customer to claim for any damage compensation.

7.2 – Any claims or disputes that may arise between the parties shall not release the Customer from the obligation to observe in any case the terms and conditions of payment.

## **8 – WARRANTIES, CLAIMS AND RETURNS**

8.1 – LGB guarantees the conformity of products supplied, meaning that the products are free from defects in materials and / or workmanship and are in conformity with the provisions of the specific contract agreed to by the parties.

8.2 – The warranty period is twelve (12) months starting from the delivery of the products and, for the replaced product or part, from the day of replacement.

8.3 – Except in the case of intent or gross negligence, within the period described by LGB, in respect of appropriate complaint-reporting of compliance defects (faults) of the Products by the Customer, which must be provided with the forms and methods better indicated in the next article 8.4, will be held at LGB's discretion - within a reasonable term taking into account the size of the contestation - only to repair or replace the products or parts of them that were found to be defective. It is understood that the above-mentioned guarantee (significant in the obligation to repair or to replace / integrate the products) is in lieu of any warranties and / or liabilities provided by law, and excludes any other liability of the Seller (whether in the contract or not) however originated by the products supplied (such as, for example but not limited to, compensatory damages, loss of income etc..). The return of non-conforming goods must always be authorized by LGB in writing.

8.4 – Claims relating to the conditions of packaging, quantity, number, weight, color or other external features of the products (apparent defects) must be reported to LGB by registered mail or by e-mail or fax, subject to forfeiture, within 8 days from the date of receipt of goods. Claims referring to defects which cannot be detected by means of careful inspection upon receipt of the goods (hidden defects) must be reported to LGB by registered mail or by e-mail or fax, subject to forfeiture, within 8 days from the date of discovery of the defect. Each complaint must specify, in writing and in detail, the defects and / or the deformities contested and the products to which they relate to. When the Customer claims defects of the products, the Customer must send to LGB – when the complaint is notified - samples of faulty products to the extent necessary to allow LGB to check the defects, unless otherwise agreed in writing.

8.5 – If the complaint results unfounded, the buyer shall indemnify the seller all expenses incurred by them for the assessments (travel, transportation, expert reports, analysis, etc.).



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8.6 – The replacements or repairs are usually made in Ex works: the costs and risks for the transportation of the defective products are to be borne by the Customer. If LGB, in agreement with the Customer, considers it more appropriate to carry out the work required to replace or repair the defective products at the Customer's site, the latter shall bear the expenses of travel and work stay of the technical personnel made available by LGB and shall provide all the means and the auxiliary personnel required to carry out the intervention quickly and in a safe way.

8.7 – The warranty lapses whenever the products are assembled or used incorrectly or have received inadequate maintenance or have been modified, disassembled or repaired without the permission of LGB or still have not been used for its intended use or the products have not been stored, transported or handled appropriately. LGB is not liable for any lack of conformity of the products resulting from the normal wear and tear of those parts which, by their nature, are subject to rapid and continuous wear and tear.

## **9 – RESPONSIBILITY OF THE SUPPLIER**

9.1 – LGB is solely responsible for the good functioning of the goods supplied in relation to the features and performances expressly indicated by LGB. LGB does not assume, however, any liability for any malfunction of equipment or systems made by the Customer or by third parties with LGB components even if the individual pumps and / or motors have been mounted or connected according to diagrams or designs suggested by LGB.

9.2 – In any case, outside the cases governed by Presidential Decree 24 May 1988, n. 224, and except as provided by art. 1229 Code of Civil Law, the Customer cannot claim compensation for indirect damages, lost profits or loss of production, nor be able to claim for compensation amounts exceeding the value of the goods supplied.

## **10 – RESERVATION OF PROPRIETARY RIGHTS**

10.1 – LGB retains ownership of the goods supplied until full payment of the agreed price, pursuant to and for the purposes of Articles 1523 and the following articles of Italian Code of Civil Law.

10.2 – In the event of non-payment of amounts that exceed one-eighth of the total price, the contract shall be considered to all the effects rescinded and LGB shall come into the possession of the products covered by the agreement: any related costs are still borne by the Customer.

10.3 – In the event of termination of the contract for default by the Customer, the payments of the price already paid by the latter will be retained by LGB as compensation pursuant to art. 1526 of Italian Code of Civil Law, except, however, the right of LGB to claim compensation for any further damages suffered.

10.4 – The Customer is responsible for custody of purchased goods, also theft, fire or other unforeseeable circumstances or force majeure fall under this responsibility.

10.5 – In the event of executive acts or bankruptcy proceedings, the Customer agrees to disclose to the Authority in charge of procedure, his quality of simple depository of goods and to inform LGB within 24 hours by registered mail, sent in advance by fax.

10.6 – In the event that in the foreign country of destination, the retention of title cannot take effect or cannot produce the effects provided herein, the Customer must provide on request the guarantees that come closest, with regard to the effects they produce, to the retention of title described here.



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## **11 – INTELLECTUAL PROPERTY RIGHTS AND CONFIDENTIALITY**

11.1 – Any Intellectual Property Rights relating to the Products supplied shall remain as sole and absolute property of LGB and their communication, or use within these Conditions of Sale does not create, in relation to them, any right or claim held by the Customer. The Customer agrees not to commit any act incompatible with the ownership of Intellectual Property Rights.

11.2 – The Customer declares that: (i) LGB is the exclusive owner of any Trademarks / Patents / Inventions / other Intellectual Property Rights relating to the Products supplied, (ii) he will abstain from using and registering Brands / Patents / Inventions / other intellectual property rights similar and / or confusable with those relating to the Products, (iii) he will use the Trademarks / Patents / Inventions / other Intellectual Property Rights exclusively in accordance with the instructions of LGB and exclusively for the purposes set forth in these Terms and Conditions of Sale.

## **12 – EXPRESSED RESOLUTIVE CLAUSE AND RESOLUTIVE CONDITIONS**

12.1 – The supply contract will be terminated as of right pursuant to art. 1456 of Italian Code of Civil Law through simple written declaration by LGB intended to use this termination clause, if the Customer:

- 1) does not comply with the confidentiality requirements provided for by article 3.4;
- 2) delays or does not accept product deliveries within the terms provided for in article 5.10;
- 3) omits or delays payments due pursuant to and by effect of article 7.

12.2 – The contract will be terminated as of right even in the case where the Customer is put into liquidation or is subject to any bankruptcy proceedings.

## **13 – CONVENTIONAL RECESS**

13.1 – In the event that the Customer reduces the guarantees he had given or does not provide the guarantees he had promised, LGB shall be entitled to terminate the contract without notice.

## **14 – APPLICABLE LAW**

14.1 – All supply contracts with foreign countries governed by present general conditions are governed by Italian law.

## **15 – JURISDICTION**

15.1 – Any dispute concerning the execution, interpretation, validity, cessation or termination of sales or supply contracts between the parties in which the action is pleaded before the exclusively competent Court of Padua (Italy).

## **16 – DATA PROCESSING**

16.1 – Under Article. 13 of Legislative decree nr. 196/2003, LGB declares that all information identifying the Customer acquired at the time of issue / stipulation of orders / sales or supply contracts of goods or services are the subject to processing, including automated, aimed at the execution of the contract and connected obligations.

The Customer has the rights provided for in Article. 7 of the Legislative Decree nr. 196/2003.

Pursuant to and for the purposes of Articles. 1341 and 1342 of Italian Code of Civil Law, following article numbers of above contract are considered effective, approved and signed:



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**2.3** – Orders regularly accepted by LGB cannot be cancelled by the Customer without the written consent of LGB.

**3.1** – The data and illustrations resulting from catalogues, brochures, circular letters or other illustrative documents by LGB are of an indicative nature. These data are not binding unless expressly mentioned as such in the LGB order confirmation.

**3.2** – LGB reserves the right to introduce at any time modifications to its products that it considers convenient.

**3.3** – If the Customer proposes modifications to LGB products, so that such modifications become binding, there must be a fully written agreement between the parties with regard to the variations that such modifications may result on prices and delivery periods previously established. The prices may also undergo variations if the quantities ordered are reduced or an earlier delivery date is requested compared to the date previously agreed upon.

**3.4** – The Customer expressly agrees not to use, for reasons other than those provided in the contract of supply, drawings, technical information and other findings related to the supply, which remain the property of LGB and that the Customer cannot deliver to third parties nor reproduce without written authorization.

**4.2** – LGB reserves the right to modify unilaterally, without prior notice and with immediate effect, the prices shown in the price list in cases where the adjustment is due to circumstances which are beyond the control of LGB itself (for example: an increase in the price of raw materials and labor costs or changes in exchange rates). In all other cases, the modification will be communicated to the Customer and shall take effect on all orders received by LGB starting from the date agreed upon with the Customer.

**5.1** – Unless otherwise agreed, the supply is intended for goods delivered Ex Works LGB, without packing INCOTERMS 2010.

**5.2** – With the handover of the goods to the customer or the customer's carrier, LGB is released from any obligation of delivery and all liabilities and risks, no exceptions, even if goods pass to the Customer when LGB is in charge of the delivery or of the installation on site.

**5.3** – Subject to the provisions stated in Section 5.2, where, by written agreement as shown in the order confirmation, LGB is required to provide for the transportation of the products, LGB will choose the means of transport as it deems appropriate: all costs, however, to be borne by the Customer.

**5.4** – The delivery terms are of an indicative nature, shall be reckoned in working days and are not essential terms pursuant to art. 1457 of Italian Code of Civil Law. They however do not include shipping times. LGB is therefore exonerated from any responsibility for any alleged damages due to delivery delays.

**5.5** – The delivery terms are understood established in favor of LGB: the Customer therefore may not claim to receive delivery of nor refuse to accept delivery of the goods before the determined date.



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**5.6** – Unless otherwise agreed by the parties, the delivery terms start from the time of the conclusion of the contract, unless the Customer has to pay the price in advance or part of the price as a deposit, because then the start time of the terms is suspended until such time that payment has been provided for.

**5.7** – Delivery terms:

1) if the Customer fails to provide, in due time, data or materials needed for supply or requires variations during implementation, or even delays in responding to the request for approval of drawings or diagrams;

2) if circumstances beyond goodwill and diligence of LGB, including by way of example but not limited to subcontractors delays, prevent or render excessively onerous the delivery within the terms stipulated,

the delivery terms are suspended for the time necessary to meet the requirements referred to in the above-mentioned points and therefore automatically are extended for a period of time equal to the duration of the suspension.

**5.8** – In the event that the Customer is not in compliance with the payments, also with other supplies, the terms' start time is suspended and LGB may suspend / delay deliveries, also other supplies, until the Customer has paid the sums due or has provided adequate guarantees of payment under art. 5.9.

**5.9** – In the case of delayed payments as well as in the event that LGB has reason to fear that the Customer is unable to pay or unwilling to pay for the Products on the agreed date, LGB, aside from suspending / delaying deliveries, can still subordinate the deliveries to the provision of adequate assurance of payment (e.g.: surety or bank guarantee).

**5.10** – Except as provided in following art. 12, in the case of failure to take delivery of the goods by the Customer due to its liability, or for reasons beyond the control of the LGB, the Customer bears the risks and costs of custody from the date when the Customer was informed that goods were ready for dispatch.

**5.11** – If the parties have agreed that, in the event of delayed delivery, LGB is liable to pay a sum by way of penalty, the Customer cannot ask for sums in excess of the penalty as compensation for the damage sustained and / or to undergo due to the delay.

**7.1** – Unless otherwise agreed upon, payments must be made by the Customer within the deadlines, to be regarded as mandatory and in favor of LGB, as provided in the LGB written confirmation of acceptance of the order located at LGB address or at the Credit Institute indicated by LGB: in case of delay the Customer will be required to pay interest on arrears, which will be counted as full right and without the need for formal notice to the extent of the rate of default interest to be applied in delayed payments in commercial transactions, published by the Ministry of Economy and Finance, increased by seven points, in addition to the merging of any legal fees incurred in the recovery of the debt and except in any case the right to LGB to claim additional damages sustained and to suspend the delivery of products or to terminate, pursuant to following art. 12, the contract. The suspension of deliveries or termination of the contract will not entitle the Customer to claim for any damage compensation.





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**8.2** – The warranty period is twelve (12) months starting from the delivery of the products and, for the replaced product or part, from the day of replacement.

**8.3** – Except in the case of intent or gross negligence, within the period described by LGB, in respect of appropriate complaint-reporting of compliance defects (faults) of the Products by the Customer, which must be provided with the forms and methods better indicated in the next article 8.4, will be held at LGB's discretion - within a reasonable term taking into account the size of the contestation - only to repair or replace the products or parts of them that were found to be defective. It is understood that the above-mentioned guarantee (significant in the obligation to repair or to replace / integrate the products) is in lieu of any warranties and / or liabilities provided by law, and excludes any other liability of the Seller (whether in the contract or not) however originated by the products supplied (such as, for example but not limited to, compensatory damages, loss of income etc..). The return of non-conforming goods must always be authorized by LGB in writing.

**8.4** – Claims relating to the conditions of packaging, quantity, number, weight, colour or other external features of the products (apparent defects) must be reported to LGB by registered mail or by e-mail or fax, subject to forfeiture, within 8 days from the date of receipt of goods. Claims referring to defects which cannot be detected by means of careful inspection upon receipt of the goods (hidden defects) must be reported to LGB by registered mail or by e-mail or fax, subject to forfeiture, within 8 days from the date of discovery of the defect. Each complaint must specify, in writing and in detail, the defects and / or the deformities contested and the products to which they relate to. When the Customer claims defects of the products, the Customer must send to LGB - when the complaint is notified - samples of faulty products to the extent necessary to allow LGB to check for defects, unless otherwise agreed in writing.

**8.5** – If the complaint results unfounded, the buyer shall indemnify the seller all expenses incurred by them for the assessments (travel, transportation, expert reports, analysis, etc.).

**8.6** – The replacements or repairs are usually made in Ex works: the costs and risks for the transportation of the defective products are to be borne by the Customer. If LGB, in agreement with the Customer, considers it more appropriate to carry out the work required to replace or repair the defective products at the Customer's site, the latter shall bear the expenses of travel and work stay of the technical personnel made available by LGB and shall provide all the means and the auxiliary personnel required to carry out the intervention quickly and in a safe way.

**8.7** – The warranty lapses whenever the products are assembled or used incorrectly or have received inadequate maintenance or have been modified, disassembled or repaired without the permission of LGB or still have not been used for its intended use or the products have not been stored, transported or handled appropriately. LGB is not liable for any lack of conformity of the products resulting from the normal wear and tear of those parts which, by their nature, are subject to rapid and continuous wear and tear.

**9.1** – LGB is solely responsible for the good functioning of the goods supplied in relation to the features and performances expressly indicated by LGB. LGB does not assume, however, any liability for any malfunction of equipment or systems made by the Customer or by third parties with LGB components even if the individual pumps and / or motors have been mounted or connected according to diagrams or designs suggested by LGB.

**9.2** – In any case, outside the cases governed by Presidential Decree 24 May 1988, n. 224, and except as provided by art. 1229 Code of Civil Law, the Customer cannot claim compensation for indirect damages, lost profits or loss of production, nor be able to claim for compensation amounts exceeding the value of the goods supplied.



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**10.3** – In the event of termination of the contract for default by the Customer, the payments of the price already paid by the latter will be retained by LGB as compensation pursuant to art. 1526 of Italian Code of Civil Law, except however the right of LGB to claim compensation for any further damages suffered.

**10.4** – The Customer is responsible for custody of purchased goods, also theft, fire or other unforeseeable circumstances or force majeure fall under this responsibility.

**12.2** – The contract will be terminated as of right even in the case where the customer is put into liquidation or is subject to any bankruptcy proceedings.

**13.1** – In the event that the customer reduces the guarantees he had given or does not provide the guarantees he had promised, LGB shall be entitled to terminate the contract without notice.

**14.1** – All supply contracts with foreign countries governed by present general conditions are governed by Italian law.

**15.1** – Any dispute concerning the execution, interpretation, validity, cessation or termination of sales or supply contracts between the parties in which the action is to be pleaded before the exclusively competent Court of Padua (Italy).

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