

PURCHASE GENERAL TERMS AND CONDITIONS

Number: : ACQ-.....2022

Phase Motion Control S.p.A.
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1. Scope of the Contract

1.1. With the signing of this Purchase General Terms and Conditions ("**Contract**") between

(a) Phase Motion Control S.p.A. with registered office in Genoa, in Via Cibrario,4 - Cap. 16154, identified by Tax Code and VAT Number 03425740101, in the person of the *pro-tempore* legal representative, e-mail [REDACTED], registered e-mail [REDACTED] (hereinafter: "the **Buyer**");

and

(b) _____ with registered office in _____ - _____, Tax Code and VAT Number _____, in the person of the *pro-tempore* legal representative, e-mail [REDACTED] registered e-mail [REDACTED] (hereinafter: "the **Seller**"),

1. the Buyer and the Seller individually identified as the "**Party**" and collectively identified as the "**Parties**", intend to regulate in advance and beforehand terms and conditions concerning all their supply and/or service relationship and, particularly, the Orders (as defined in next Article 2 which follows). The discipline provided by this Contract shall be applied to contractual relationships between Parties, unless otherwise agreed in writing and included from time to time in the Orders.
- 1.2. The Parties expressly acknowledge that, without prejudice to the application of the general conditions set out in this Contract, each Order is a stand-alone contract and any dispute concerning the execution of individual Orders shall not have any effects, of any nature, on other Orders, except as expressly provided by this Contract and, particularly, as provided by Article 19 (Orders' Termination clause).
- 1.3. The Parties agree that this Contract shall be an integral part of each single Orders even in the absence of an express reference to this Contract in the Orders. Consequently, the Parties undertake to implement and abide by this Contract's provisions.
- 1.4. Each and any modification of this Contract, as well as of any individual Order, shall be void unless agreed upon expressly in writing, without prejudice to this Contract that will remain and stand in full force and effect.
- 1.5. This Contract is stipulated for an indefinite period. Each Party may terminate the Contract with a ninety (90) days notice to be notified in writing by registered letter with acknowledgement of receipt or by registered e-mail. In case of termination, the ongoing Orders will remain valid and the Seller undertakes to carry them out even if the relevant supply takes place after the expiry of the notice period for termination.
- 1.6. This Contract (as well as the individual Orders) shall not be allowed to be construed as to establish – under no circumstances – any employment, almost-employment or agency relationship between the Buyer and the Seller, as this latter is an independent contractor who freely operates with independent organization of its business activities with its own methods and without requirements of working hours, locations or tasks which are typical of employees relationships or stability which is typical of quasi-employees or agents. This Contract (as well as the individual Orders) shall not result in a partnership or a joint venture, nor shall it give rise to any exclusive rights for the Seller.





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2. Definitions

2.1 Except as otherwise specified, capitalized terms in the present Contract, in the singular or in the plural, shall have the following meaning:

The term "**Contract**" means the present "Purchase general Terms and Conditions", as supplemented by each individual Order and relevant attachments.

The term "Buyer" shall mean Phase Motion Control S.P.A. and/or its subsidiaries and associates;

The term "Seller" means the supplier of goods and/or services as above indicated;

The term "Parties" means the Seller and the Buyer and the term "Party" shall be interpreted consequently;

The term "Element" means any item, subset, Line-Replaceable Unit (LRU), Shop-Replaceable Unit (SRU), component, Spare Part, software application, document or other goods and services identified in the Order and in the referenced technical Specification;

The term "Part Number" ("PN") means the Element's or its component parts' identification code;

The term "Specifications" means one or all the technical-functional requirements of the Characteristic Element specified in the documents (eg. Drawing, Technical Sheet, etc) referred to in the Order;

The term "Order" means any purchase order of goods or services and relevant amendments requested by the Buyer, drafted according to the model attached hereto;

The term "Lead Time" means the period of time necessary for production of the Element by the Seller;

The term "Delivery" (referring to the Element) means both the delivery of goods (Element(s)) and/or the performance of service(s) to be rendered;

The term "Operator" means any company, natural person or entity that owns or legitimately uses the Products manufactured by the Buyer and/or who has entered into a customer service contract with the Buyer;

The term "Change of Control" means the acquisition by third parties of direct or indirect control of the Seller. A third party shall be deemed to directly or indirectly control the Seller if: it holds the majority of the Seller's voting rights; or has the right to appoint or dismiss the majority of the Seller's board of directors, executive committee, management board or any other body responsible for managing or controlling the Seller; or has the right to exercise a dominant or decisive influence over the Seller.

3. Orders

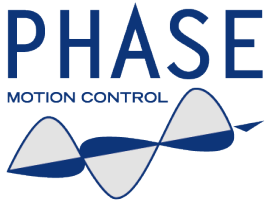
3.1 The Buyer shall request supplies from the Seller by means of Orders to be forwarded by e-mail, using the model attached to this Contract which indicates information and references identified hereinafter: description of the Element(s), Part Number, quantity, price, Delivery date and programs, Delivery location, Specifications, qualitative requirements, Flexibility Rules.

3.2 Any modification and/or integration of the Order shall be requested in writing by the purchasing office of the Buyer through a Order variation to be sent by email.

3.3 Any other form of request or different means of communication shall not be deemed to modify or supplement an Order and shall not confer the Seller any right to claim reimbursement of any cost or expense incurred by the Seller.

3.4 The Order transmitted by the Buyer to the Seller shall be subject to acceptance by the Seller, within seven (7) days from its date of issuance. The acceptance of the Order from





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the Seller shall be transmitted in writing (also by e-mail) to the purchasing office of the Buyer and will contain the express acceptance of the Order (and/or modification/variation thereof), as well as of any other document included and/or referenced in the said Order (and/or modification/variation thereof). Acceptance shall expressly indicate the Order's date and number, as well as any document included and/or referenced in the Order. Perfection of the Order shall occur when the Buyer shall have received the abovementioned acceptance. The Seller is prohibited from executing the Order before having transmitted to the Buyer its express acceptance of the Order (and/or modification/variation thereof) pursuant to this Article.

The information regarding the quantity, size, price, technical characteristics or other parameters indicated by the Seller or acquired by the Buyer prior to the completion of the Order has the sole purpose of enabling the Parties to better understand the characteristics of the scope of the Order and will not constitute any right of the Seller if not incorporated in the Buyer's Order.

The Delivery dates and/or the quantity of each individual Delivery shall be subject to variation following changes in production rates and/or any technical modifications. In such cases, the Buyer shall be entitled to reprogram and specify Delivery dates and the quantity of each individual Delivery pursuant to the Flexibility Rules provided by the Order; however, said reprogramming and specification of Delivery dates or quantities arising out of changes in production rates and/or from technical modifications shall not authorize the Seller to increase the price.

3.7 Any costs and/or expenses incurred by the Buyer following errors and/or omissions by the Seller in the provided documentation shall be charged to the latter.

4. Prices

4.1 Applicable prices are, without exception, those set in the Order or in connection with the Order and, overall, they are to be considered fixed and invariable despite the provisions of Articles 1467 and 1664 of the Italian Civil Code.

4.2 Except as otherwise provided by the Order, prices include packaging and transportation costs.

5. Payments

5.1 The Buyer shall effect payment only for Elements supplied in compliance with the terms of the Order and of the Specification referenced by it, including quality requirements which are an integral part of the Order and which need to be provided at the time of the Element's Delivery.

5.2 Payments shall be effected as determined in the Order(s), provided that the invoice be valid, accurate and payable, and in any case not earlier than 7 (seven) days after delivery and on condition that the Seller has sent the Buyer a valid copy of his tax and social security contributions document (DURC/DURF).

5.3 The Buyer shall not be responsible for delayed payments arising out of late notices or irregular invoicing.

5.4 In the event of delayed payment on one or more Orders, the Seller shall have no right to unilaterally modify the provisions contained in the Order(s), including but not limited to, changing payment conditions, stopping Deliveries and interrupting the production line. In the event of a dispute regarding payments for one or more Orders, the Seller shall not be entitled to suspend Delivery of Orders already accepted, even if different from those that are the subject of the dispute, and shall not be entitled to make any exceptions in this regard.





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5.5 For the purpose of payment, the Seller shall issue its own invoice and send it to the Buyer's administrative offices unless the Buyer gives express different instructions in writing.

5.6 In the event the Buyer should require that the invoice be also sent by e-mail, the Seller and the Buyer shall enter into an Electronic Data Interchange (EDI)/ Document Exchange agreement.

5.7 Besides complying with the applicable law, each invoice shall include the following: description, Part Number, quantity of delivered Elements, the related Order, the Element(s)'s number, the breakdown of prices in the required form, the Value Added Tax (VAT) if applicable, the Parties' names and addresses, the transport document's number and any other terms and conditions specified and requested by the Buyer in the Order.

5.8 In the event the invoice should be issued with a VAT exemption, it shall be subject to the laws in force from time to time and shall include the following statement "Transaction exempted from VAT pursuant to Articles 8 and 8 bis of Italian Presidential Decree 633/1972," including the statement of intent ("*dichiarazione d'intento*").

6. Packaging

6.1 Products shall be packaged without additional cost to the Buyer in accordance with standard business practices, except as otherwise indicated by the Buyer in the relevant Order and without prejudice to applicable laws, including environmental regulations.

6.2 The Buyer shall not be charged any cost for special casing and/or boxing containing the Element. The Seller shall collect said casing/boxing in reasonable time and, failing that, they shall be returned to the Seller at its own expenses.

7. Hazardous Materials

7.1 All Elements that are subject to the applicable laws on classification, packaging and labeling of hazardous materials and of materials requiring safety-handling measures for their operators, shall be provided by the Seller with safety data sheets identifying the Element's main components, handling procedures and safety standards to be adopted.

8. Shipping

8.1 The Delivery of the Elements shall be effected DAP Incoterms 2010 (Delivered at place) in the location specified by the Order(s).

8.2 The Seller shall forward to the Buyer (if requested) all the correspondence exchanged with the appointed carrier.

8.3 Any additional cost the Buyer should incur following non-compliance with the above by the Seller shall be charged to the Seller.

8.4 All unauthorized and advance Deliveries may be rejected at Buyer's sole discretion. In case of advance Delivery's acceptance, any storage and safekeeping expenses shall be charged to the Seller on the understanding that, even considering the advance Delivery's acceptance by the Buyer, the Buyer's payment terms shall commence on the Delivery date as set in the Order.

9. Export License

9.1 The Element may be subject to laws on exports in countries wherefrom the Seller exports; the Parties acknowledge that violation of said laws, particularly those concerning destination, is prohibited.





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9.2 In the event the Seller should be unable to comply with the above, the Buyer shall have the right to terminate the related Order(s) without affecting the Buyer's right to claim reimbursement of all costs/expenses, disbursements, damages and losses incurred due to the said violation and without any responsibility.

9.3 It is understood between the Parties that the Buyer's payment terms shall be suspended until the Seller has complied with this Article and has notified its compliance to the Buyer.

10. Title and Risk of Loss

10.1 Title to the Element shall pass to the Buyer at the time of the Element's Delivery in the location designated by the Buyer and risk of loss shall pass to the Buyer pursuant to what established by the DAP conditions of the Incoterms 2010. Transfer of title and risk of loss does not imply acceptance of the Element by the Buyer.

10.2 Rejection of an Element shall be regarded as a non-Delivery and, following said rejection, title and risk of loss shall transfer back to the Seller.

11. Delays

11.1 In the event a delay should occur or be foreseen, and which is considered beyond Seller's control, which cause or can cause a delay in the compliance by the Seller with its obligations pursuant to the Order(s), the Seller shall:

- (a) inform the Buyer of said delay at the time it becomes aware of it;
- (b) provide a description of the event causing the delay at the time it becomes aware of it, including an estimate of the affected obligations;
- (c) quantify the potential duration and timeframe of said delay;
- (d) disclose the corrective measures which will be taken;
- (e) present the Buyer an action plan to make up the time lost.

11.2 Should the Seller, due to a delay, be in non-compliance or give advance notice to be unable to comply with the Order within the Delivery date, the Seller shall make all possible efforts to reduce said delay for which it is responsible and shall pay any and all costs/expenses incurred by the Buyer due to the delay, without prejudice to the Buyer's right of compensation of damages. The Seller shall also provide the Buyer any available Elements, without additional costs to the Buyer, for the continuation of the Buyer's production or maintenance process.

11.3 In the event of a delay longer than seven (7) days (grace period) compared to the delivery date indicated in the Order, the Buyer, without prejudice to all its rights arising out of the law, of this Contract and of the Order, may, alternatively or jointly:

- a) instruct the Seller to ship the Element through a different mean of transportation and/or to a destination different from that identified in the Order, at the Seller's expense;
- b) plan all necessary steps for the Element's collection, at the Seller's expense.
- c) in any case, apply liquidated damages pursuant to Article 20 (Liquidated Damages) of this Contract, under the terms and conditions set out therein, and invoice said liquidated damages which shall be paid by the Seller within thirty (30) days from the date of the invoice or, at the sole discretion of the Buyer, set-off with any amount due to the Seller also in relation to Orders other than the one subject to delay.



12. Visits at the Seller's premises

12.1 The Buyer, also in order to offer the Seller technical support and information, may visit "ad hoc," with prior notice, the Seller's business premises as well as the premises of any of its subcontractors', inspecting the Element and all materials, equipment and parts arranged by the Seller and by any of its subcontractors for the supply of the Element(s). The information exchanged during such visits will not generate rights or indemnities of any kind in favor of the Seller and will only be taken over for the purposes of this Contract if they are incorporated into the Order.

13. Non-compliant Elements

In the event of Delivery of an Element non-compliant with the Order's requirements, without prejudice to the Buyer's additional rights arising out of the law, the Purchaser will notify the Supplier of the Non-Conformity report (NC), at the rates indicated below. The Purchaser will be entitled to invoice the amounts listed below which must be paid by the Supplier within thirty (30) days of the invoice date:

- NC practice opening and management (€ 150)
- Labour cost (60 € / hour)

13.1 The Buyer may alternatively or jointly:

- a) reject the Element and return it to the Seller at the latter's risk and expense (in this case, the Seller shall replace the rejected Element within a maximum of ten (10) days from the notification of the Element's non-compliance – NC);
- b) request that the Seller rework the Element without delay to make it compliant, at the Seller's sole care, cost and expense (in this case, the Element shall be reworked and redelivered to the Buyer as compliant and certified within a maximum of fifteen (15) days from the notification of the Element's non-compliance);
- c) rework the Element directly to make it compliant at the rates indicated below:
 - Labour cost (60 € / hour)
 - Material costs (Markup 10%)

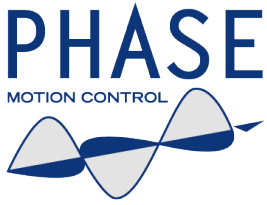
13.2 In the events falling under Subsections a) and b) of the above Clause 13.1, once the respective ten (10) and fifteen (15) day terms have elapsed, the Buyer may apply liquidated damages pursuant to Article 20 (Liquidated Damages) of this Contract, and invoice said liquidated damages which shall be paid by the Seller within thirty (30) days from the date of the invoice, without prejudice to the Buyer's right to set off the amounts accrued by way of reimbursement with any amounts due to the Seller by virtue of Orders, even if different from the one which is the object of the non-conformity.

13.3 A replaced or reworked Element following to a rejection shall be subjected to a new inspection, testing and certification.

13.4 Total replacement, reworking, inspection, testing and certification costs, as well as all other necessary costs, shall be charged to the Seller.

It is understood between the Parties that the Buyer's payment terms concerning the rejected Element shall be suspended until the non-conformity has been overcome in one of the ways referred to in Clause 13.1 above and the Seller has fulfilled its consequent obligations under this Article. In the event that, before Delivery of the Element to the Buyer, the Seller detects the Element's non-compliance and notifies it to the Buyer through applicable documentation for the latter's technical evaluation, the Buyer shall have the right to accept the Delivery in any case, charging the Seller the amount of Euro 500,00 as a penalty, whose invoice shall be paid by the Seller within thirty (30) days from the invoice date, without prejudice to the Buyer's right to set off the amounts





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accrued for this purpose with any amounts due to the Seller by virtue of Orders, even if different from the one which is the object of the non-conformity. The above without prejudice to the provisions of Articles 19 (Orders' Termination) and 20 (Liquidated Damages).

14. Warranties

14.1 The Seller declares that by the time of Delivery it will check each Element supplied in accordance with each individual Order and guarantees that the Element will comply with the Order, the Specification, the requirements and all other documentation referred to in the Order. The Seller also warrants that each Element shall be free from any defects in design, material, execution, workmanship and process, that it shall also be suitable for the purpose for which it is intended, and shall be in perfect working order and free from liens, securities or charges, mortgages, encumbrances and rights of third parties of any kind and from disputes attributable to patent infringement.

14.2 Any possible defect/non-conformity/non-suitability/dysfunction affecting an Element shall be reported in writing by the Buyer to the Seller within the terms of the law, provided that all Elements to be delivered to the Buyer shall be deemed to have been delivered with a declaration by the Seller that he has verified each Element provided for in the Order and that he guarantees (i) that each Element complies with the Order, the Specification, the requirements and all further documentation referred to in the Order and (ii) that the Element is free from any defects as to design, materials, construction, manufacturing, working process, and it is suitable for its intended purpose as well as perfectly functioning and it is, also, free from restrictions, sureties or encumbrances, mortgages, liens and third parties' rights of any kind as well as from disputes concerning patent infringements.

14.3 The warranty period for the Elements shall last two (2) years from the date of the delivery, or from delivery, by the Buyer to its customer, of the good produced or maintained by the Buyer.

14.4 In the event of the Element(s)'s non-compliance, flaw, defect, unsuitability or malfunction during the warranty's period, it shall be repaired/replaced by the Seller within a maximum of ten (10) days from receiving the related notification from the Buyer. In case of failure of the above, the Buyer may apply liquidated damages pursuant to Article 20 (Liquidated Damages) of this Contract and invoice said liquidated damages which shall be paid by the Seller within thirty (30) days from the date of the invoice, without prejudice to the Buyer's right to set off the amounts accrued by way of penalty with any amounts due to the Seller by virtue of Orders, even if different from the one which is the object of the non-compliance.

14.5 In case a defect critically affects or is believed to critically affect the Element's use or functioning or personnel's safety, the Seller shall immediately inform the Buyer of this matter as soon as the Seller becomes aware of the defect. The Seller shall, timely and no later than [] after notification by Buyer, carry out the necessary investigations aimed at identifying the underlying causes for the purpose of taking remedial actions.

14.6 All the above-mentioned activities/transactions performed by the Seller shall be at its cost and expense (including the necessary labor hours).

15. Materials Supplied by the Buyer

15.1 The goods supplied by the Buyer to the Seller as object of the Order shall remain the property of the Buyer and shall be properly marked and kept in good conditions until they are used for the construction of the Element and/or completely eliminated under Buyer's instruction.





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15.2 The Seller shall not use said materials, equipment or devices for purposes other than the Buyer's Orders' execution and shall obtain appropriate insurance coverage over their total value against loss or damage as long as they are under the Seller's or any of its subcontractors' responsibility, including when they are under carriers' control.

16. Subcontracting

16.1 The Seller may subcontract part of the Order's execution only with the Buyer's prior express approval; the latter may refuse said approval – at its sole discretion – for example, for reasons of secrecy, competition, subcontractor's technical and/or legal inadequacy, subcontractor's unreliability and/or conflict of interest with the prospected subcontractor. To aid all decisions concerning such necessary approval, the Seller shall submit to the Buyer information aimed at identifying the proposed subcontractor. The Buyer shall express its approval or refusal within a maximum of thirty (30) days from receipt of the abovementioned information and, lacking response from the Buyer within the above term, the Seller may proceed and subcontract part of the Order's execution. It is understood between the Parties that the above procedure does not amount, in any case, to a subjective modification either of this Contract or of individual Orders and, consequently, that the contractual relationship remains exclusively between the Buyer and the Seller.

16.2 The Seller shall be responsible for compliance by all its subcontractors with all obligations and commitments undertaken by the Seller in connection with the Orders, none excluded, and Seller shall be fully accountable to the Buyer for the proper execution of the above, as if no subcontracting had occurred.

17. Confidentiality

17.1 Without prejudice to any specific confidentiality and non disclosure agreements already concluded and/or to be concluded between the Parties, which shall prevail over the provisions of this Article, and in partial departure from the provisions of Article 1 (Scope of the Contract), for the entire duration of this Contract and even after, each Party agrees to keep confidential, to prevent use of (except for the purposes of the Order) and not to disclose to third parties who are not members of the receiving Party's organization, also limiting disclosure within its organization to those employees with a specific need to know, all information and documents received pursuant to the Orders, whether disclosed in writing or orally.

17.2 The abovementioned limitations concerning use and disclosure are not applicable to the said information or data which (i) are in the public domain, (ii) are used or disclosed with the disclosing Party's prior written approval, (iii) are requested by a judicial or other Authority and (iv) have come into the possession of the receiving Party regardless of the delivery made by the Disclosing Party.

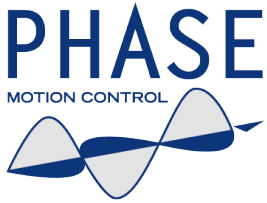
17.3 The Seller shall be liable towards the Buyer for breaches of confidentiality committed by its employees, contributors, executives and, more in general, by all members of its "organization" to whom said information was disclosed as well as for any and all breaches of confidentiality committed by any of its subcontractors.

18. Patent Infringement

18.1 The Seller expressly guarantees to the Buyer that the Orders' Element (goods and/or services), mass-production equipment and devices arranged by the Seller shall not infringe any Intellectual Property Rights held by third parties.

18.2 The seller undertakes to indemnify and hold harmless the Buyer in respect of any claim from third parties for infringements of intellectual property, undertaking to bear the total





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expense arising out of all consequences, including money judgments and settlements related to the alleged infringement, attorneys' fees and any other legal expenses incurred by the Buyer or by any Operator and/or by the Buyer's customers deriving from that.

18.3 Should a third party bring any claim, lawsuit or legal action against the Seller concerning an Element(s) (or its component) based on Intellectual Property Rights, the Seller shall immediately notify the Buyer.

19. Orders' Termination

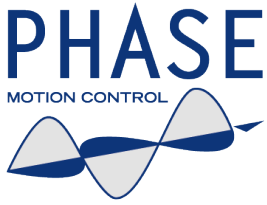
19.1 Besides cases of termination provided for by law for breach of contract, as well as by this Contract's express termination clauses and without prejudice to the application of Article 20 (Liquidated Damages) of this Contract, as well as to the further specific liquidated damages provided by this Contract, the Buyer may unilaterally declare the termination of all or part of the Orders (or even one), pursuant to article 1456 of the Italian Civil Code, in the event that:

- a) the Seller is subject to bankruptcy or insolvency proceedings, or the Seller, being a company, should be put into liquidation or subject to insolvency proceedings pursuant to any applicable bankruptcy or insolvency laws or be in any similar circumstance in any jurisdiction;
- b) any Element(s) provided in the Order(s) should not be delivered within thirty (30) days from the Delivery date stated in the Order and its possible modifications;
- c) the Seller employs personnel in violation of labour, tax and/or social security legislation in force;
- d) any Element(s) provided in the Order(s), rejected pursuant to Article 13 (Non-compliant Elements) of this Contract, should not be replaced or reworked, as the case may be, within 10 days after the expiration of the term provided by Article 13.1 Subsections a) and b);
- e) the Seller should be unable to comply with the qualitative requirements provided by the "Phase Motion Control S.P.A.' Quality Manual for supplies" attached to this Contract as integral and substantial part hereof, and any of its amendments, which the Seller declares to know and to accept at the time of perfection of the individual Order of this Contract.

19.2 Upon receipt, pursuant to the preceding Clause, of a termination notification by the Buyer of one or more Orders, the Seller shall:

- a) immediately send to the Buyer a progress report related to the Elements totally or partially completed and warehoused at Seller's place, including any stock of raw materials and parts which the Seller purchased from third parties to execute the Order, in order to enable Buyer to decide whether or not to purchase said materials at the Buyer's sole discretion, the latter being not compelled to do so;
- b) upon the Buyer's request, following the above evaluations, but without any obligation for the latter, timely transfer title and ownership (should they have not been transferred already) and deliver to the Buyer all Elements, including the partially completed ones, together with the materials produced/worked by the Seller for the full and proper execution of any Order, at the scheduled price for the completed Elements and at cost, to be documented by the Seller, for the Elements partially completed and for the materials;
- c) immediately cease and desist from all execution activities concerning the terminated Orders and interrupt any subcontracts. Upon the Seller's request, operating procedures may be agreed in writing aimed at enabling the Seller to complete the ongoing production;





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- d) return or destroy, at the Buyer's discretion and upon the Buyer's request, all information and all data used by the Seller to execute the Order, including but not limited to the information and documents received from the Buyer pursuant to the Order(s) and/or any other supporting information; and
- e) reimburse the Buyer for all costs, expenses, losses and damages incurred by the Buyer to remedy to the Seller's non-compliance together with all costs incurred by the Buyer to produce the Elements or to support alternative solutions.

20. Liquidated Damages

- 20.1 Without prejudice to the application of the provisions of Article 19 (Orders' Termination) above, the Buyer may charge liquidated damages to the Seller in a sum equal to 5% of the supply amount or of the service value provided by the individual Order for each calendar day of delay in the full and proper compliance up to a maximum of 20% of the supply amount or of the service value provided by the individual Order, with no prejudice to Buyer's right to claim also any greater damage arising thereof.
- 20.2 The Seller undertakes in any case to indemnify and hold harmless the Buyer in full against any sum requested by third parties as a penalty due to the Seller's default (including delay).
- 20.3 Without prejudice to Article 19, Should the Seller be responsible for conducts resulting in the application of liquidated damages pursuant to this Contract, exceeding 20% of the value of the supply or of the services to be performed in any year or fraction thereof, the Buyer shall be entitled to terminate all Orders or part thereof.

21. Contractual Responsibilities

- 21.1 The Seller shall be responsible under the law towards the Buyer for all damages the latter may incur due to the Seller's default, including but not limited to: (i) legal expenses incurred by the Buyer due to the Seller's non-compliance of its obligations under the Order(s), (ii) amounts the Buyer should pay to the Operator (iii) events that may affect the operation and functionality of Products produced by the Buyer and/or the Buyer's production line, (iv) any amounts owed to other suppliers following the obstruction of the Buyer's production, development or maintenance activities (v) indirect or consequential damages.
- 21.2 The Seller expressly acknowledges that the Buyer carries out the activity of production and maintenance on products and Electronic System to be installed onto the industrial context and that any defect of the goods provided or rendered, delayed Delivery, partial compliance and, in any event, non-compliance may result in the interruption of business activities or a portion thereof making the Buyer's deliveries to its customer impossible and/or delayed.
- 21.3 Any liquidated damages pursuant to this Contract or to the Order do not amount, in any event, to exclusive remedy for damages incurred by the Buyer due to the Seller's non-compliance. In the event actual damages incurred by the Buyer should exceed the amount of the liquidated damages, the Buyer shall be entitled to demand full reimbursement of damages incurred and/or to be incurred as well as to terminate the contract as provided by the law.
- 21.4 The Seller shall indemnify and hold harmless the Buyer, its executives, directors, employees and/or insurers from and against any claims, losses, responsibilities, lawsuits, verdicts, costs and expenses (including attorneys' fees) or similar instances howsoever related to death or injury of anyone (including but not limited to the Buyer's employees), or losses or damages caused to third parties' property (including the Buyer's properties) should they arise from the Seller's acts or omissions (including but not limited to any possible defects in the Element and/or in the related technical documentation) during the Order(s)'s execution.



22. Force Majeure

- 22.1 Should execution of any part of the Order by the Seller or by the Buyer be obstructed or delayed by any event beyond the control and responsibility of either Party, which said Party cannot remedy through diligence, including but not limited to (acts of) war, sabotage, insurrection, uproar or other civil disobedience, terrorism, interruption or delay in transportation (excluding the Seller's or any of its subcontractors'), acts by any government, public body or its department, judicial acts, labor disputes, strikes (excluding strikes by the Seller's, its subcontractors' or the Buyer's employees) riots, accidents, fires, explosions, floods, hurricanes or other causes of force majeure, the affected Party shall be exempted from compliance to the extent such compliance is hindered or delayed by the cause of force majeure for the entire time said circumstances of Force Majeure exists and execution of the Order shall be suspended for the entire time and to the extent said force majeure hinders or delays its execution.
- 22.2 In the event execution of the Order should be suspended due to force majeure for over ninety (90) days, the Party that did not invoke force majeure may terminate the Order without incurring any responsibility and shall not fulfill its obligations pursuant to the terminated Order.
- 22.3 The following shall not, in any case, be deemed as cases of force majeure: (i) stops required by Authorities empowered to enforce the laws applicable to this Contract, which are not respected by the Seller and (ii) delayed Deliveries by subcontractors.
- 22.4 In order to obtain suspension of its obligations by reason of force majeure, the affected Party shall notify the other Party in writing about the delay, identifying the invoked circumstances of force majeure, within five (5) calendar days from the time the Party invoking force majeure became aware or should have become aware of said circumstances of force majeure.
- 22.5 The Party invoking force majeure shall make every effort to mitigate the effects of said circumstances of force majeure.
- 22.6 The Seller's subcontractors' faults shall not, in any case, be deemed as circumstances of force majeure pursuant to the Order.

23. Seller's Obligations Concerning its Organization

- 23.1 The Seller undertakes to carry out the task entrusted to it in a workmanlike manner and at its own exclusive risk, with the organization of the necessary means and personnel, specialized and with proven experience and competence, by the same Seller chosen, regularly hired and remunerated in compliance with the reference Collective Labour Agreement (CCNL). The Buyer reserves the right to request from the Seller, who will be required to provide it promptly, documentation proving the regular payment of salaries and contributions in favor of the personnel employed in the execution of the supply. The Seller expressly declares and guarantees that: (i) all the personnel employed will be regularly hired in compliance with the labour law in force; (ii) will scrupulously observe the regulations regarding working hours, rest periods, weekly rest, compulsory leave and holidays; (iii) will observe all the applicable regulations regarding safety and hygiene in the workplace; (iv) all the personnel employed will not be subject to degrading working conditions and/or surveillance methods.
- 23.2 The Seller declares and warrants to be in compliance with all legal obligations (insurance, social security contributions, tax and the like) concerning said personnel; the Seller expressly acknowledges that it has responsibilities, liabilities and risks concerning labor relations with said personnel; consequently, it declares and acknowledges that no employment (or freelancing and like relationship) exists between the Buyer and said



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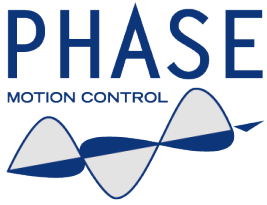
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personnel, thus holding the Buyer harmless from any responsibility, liability and risk on this matter.

- 23.3 In the exercise of its activity, the Seller undertakes to use machines and equipment fitted with the safety devices provided for by the regulations in force.
- 23.4 The Seller – when accessing the Buyer's plant and facility), and without prejudice to Article 24 below, in accordance with Italian Legislative Decree N° 81/2008 and its subsequent modifications, shall fill in and sign the Buyer's DUVRI form as an access condition. By filling in the said form, the Seller acknowledges specific risks existing in the environment where it will operate and prevention and emergency measures adopted concerning activities to be performed, as well as risks arising out of potential interferences, also undertaking to ensure that the personnel involved in the execution of the supply scrupulously complies with the provisions of the DUVRI. In all cases, including those that do not provide for access to the Buyer's plants and facilities, the Seller is obliged to observe and apply the regulations in force regarding health and safety in the workplace (with particular reference to Legislative Decree 81/08 and subsequent amendments and additions) and to make the personnel employed in the execution of the supply comply with said provisions.
- 23.5 The Seller shall not grant access to the Buyer's or third-party Customers' premises and facilities to personnel and/or vehicles not previously authorized by the Buyer, who may refuse access to Seller's personnel and/or vehicles not previously authorized. During the Seller's personnel's presence at the Buyer's or its third-party costumers' premises and facilities, the Seller shall neither commence potentially hazardous works or use equipment that may cause damages to the existing plants and equipment or that may affect safety or cause accidents and/or injuries, without prior written authorization by the Buyer.
- 23.6 For security reasons, the Buyer shall have the right to inspect all the Seller's vehicles, which were authorized for access to the Buyer and/or third entities' plants and facilities pursuant to the present Contract.
- 23.7 Should the Seller and/or any of its subcontractors access the Buyer and/or third-party costumers' premises and/or facilities, non-compliance and failure to comply with safety rules and/or non-compliance with provided instructions and/or improper use of written authorizations by the Buyer shall be deemed as a serious default and may result in immediate termination of all Orders or part thereof, all the Seller's legal responsibilities for any damages, accidents or injuries that may occur during the Order(s)'s execution or as a result of it remaining unaltered. Should other companies operate in the same area on behalf of the Buyer, the Seller shall coordinate, as agreed upon between the Parties, its organization and activities to avoid obstruction or inconvenience to said companies' activities, seeking procedures and solutions aimed at facilitating a synergic performance of tasks. Should the Seller not adopt a proper conduct, the Buyer shall have the right to suspend execution and to charge onto the Seller all the extra costs arising from this event. Any accident and/or injury involving the Parties' and any subcontractors' personnel and/or vehicles and equipment shall be notified immediately to the Authorities and Bodies empowered under the laws in force and to the Buyer, as well.
- 23.8 In case of activity carried out at the Buyer's and/or third-party customer's premises, the Seller undertakes to
- a) transmit to the Buyer suitable safety documentation - such as a risk assessment document or an Operational Plan for the Safety of Workers (P.O.S.), pursuant to art. 26 of Legislative Decree 81/08 and subsequent amendments and additions, which all the Seller's personnel must know and observe, containing among others at least the following general information: the identification data of the company (name of the employer, the prevention and protection service manager, the workers' safety representative and the competent doctor, the latter where





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necessary); the general description of the activity (individual work carried out, etc.); the general description of the activity (individual workings carried out, etc.); the identification data of the company (the name of the employer, the prevention and protection service manager, the workers' safety representative and the competent doctor, the latter where necessary); the list of work equipment used; the list of dangerous substances and preparations used (with the relevant safety data sheets); the identification of preventive and protective measures; references to work procedures, when provided for; the list of Personal Protective Equipment (DPI) supplied to workers (where provided for); documentation regarding information and training provided to workers; specific information regarding the prevention and safety measures provided for the site to which the supply refers;

- b) observe and have their employees observe the following provisions: (i) before installing the products and carrying out the Supply, the safety instructions provided by the Buyer and/or the third end customer (DUVRI, P.S.C. emergency's management) must be followed, taking into account any specific environmental risks related to the work area; (ii) do not remove or modify devices, signals or other means of safety and protection without the authorization of the Buyer; (iii) immediately inform the Buyer of the conditions of the danger of which he becomes aware; (iv) comply with all the provisions of the Buyer in case of emergency (fire, evacuation, etc.); (v) provide and wear the appropriate DPI, when provided for in the Seller's safety documentation, provide and wear the identification card, accompanied by a photograph, containing the worker's personal details, date of employment, date of birth, indication of the employer and, in case of subcontracting, the relevant authorization, pursuant to art. 18, paragraph 18, letter u) of Legislative Decree 81/2008 as amended by Law 136/2010 and also providing, if self-employed, the indication of the end customer;
- c) not to carry out on their own initiative operations or maneuvers which are not strictly within their competence and which could compromise their own safety and that of other people.

23.9 The Seller shall bear all expenses and consequences from application of the Civil and Penal Codes pursuant to Italian Law that should arise from non-compliance with the abovementioned rules and regulations, indemnifying and holding the Buyer harmless from all responsibilities, including responsibilities to third parties, and/or detrimental consequence that the Buyer may incur as a result of such non-compliance.

24. Insurance

24.1 Without any prejudice to the responsibilities and obligations under this Contract and individual Orders and upon the Buyer's written request, the Seller shall procure and maintain in good standing, at its own expense, a third party liability, employee liability, product liability with an adequate insurance limit and with a leading insurance company concerning the activity carried out pursuant to this Contract and each Order and necessary to cover its responsibilities pursuant to this Contract and to the Order(s) for reasonable amounts considering the obligations assumed and the potential damages the Buyer may incur. The Seller, on Buyer's request, shall demonstrate having underwritten said insurance coverage pursuant to this Clause and shall furnish to the Buyer a copy of the related insurance certificates and of any renewals as well as evidence of payment of the relevant insurance premiums.





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25. Assignment and Transfer by the Seller

25.1 The Seller shall not assign any of its benefits, credits, rights and remedies and/or transfer any of its obligations arising from the Contract and/or the Order(s) to a third parties without the Buyer's prior written consent. In the event said consent should be granted, the Seller shall remain jointly and severally liable with the third party towards the Buyer and/or any person entitled for all the obligations provided by this Contract and in the Orders.

25.2 In the event a Change of Control of the Seller's entity is foreseen, the latter shall:

- a) inform immediately (and, in any case, before the Change of Control's perfection) the Buyer through a written notice concerning that event, identifying the potential acquiring/investing party, the foreseen changes in the stock's composition or any other changes, also providing information concerning the Buyer during the Change of Control proceedings;
- b) in the event said Change of Control should be in favor of a party not acceptable to the Buyer, for instance due to conflict of interest existing, latent or potential, or due to technical and/or legal inadequacy and/or unreliability of said party, the Buyer shall have the right to withdraw with a 15 (fifteen) days prior notice from all Orders or part thereof within thirty (30) days from the date when the Buyer became aware of the Change of Control at the Seller's, without any right to compensation and/or reimbursement and/or indemnification for the Seller following the exercise of said right by the Buyer.

26. Obligations Concerning Taxes, Foreign Currencies and Social Contributions

26.1 Any irregularities committed by the Seller and/or from any other subcontractors in connection with its obligations under tax law, foreign currencies and social contributions, resulting in joint or several liability of Buyer and Seller for fines, sanctions or penalties of any kind, such fines, sanctions or penalties shall be charged solely to the Seller, the Buyer having immediate right of redress and right to be kept indemnified and harmless by Seller.

27. Applicable Law

27.1 The validity, execution, interpretation and, in general, all disputes arising out of and/or in connection with this Contract, with the Orders and with the related modifications/changes, shall be subject to the Laws of the Republic of Italy.

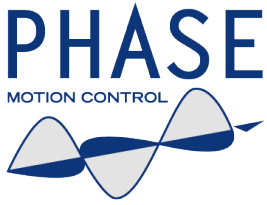
28. Jurisdiction and Territorial Venue

28.1 By the express will of both Parties, all disputes that may arise between the Parties, in any way connected to this Contract and/or to individual Order(s) and/or in any way related to its/their interpretation and/or execution and/or validity and/or effectiveness, shall be under the exclusive jurisdiction of the Italian Courts with exclusive territorial competence of the Court of Genoa, waiving by consensus every other jurisdiction and territorial competence and excluding all alternative and/or competing Courts.

29. Miscellaneous

29.1 Any partial nullity/invalidity of this Contract or of individual provisions thereof and/or of individual stipulations shall not cause in any way the nullity/invalidity of the entire Contract, but the clause(s) and/or the agreements burdened with nullity shall be considered null and void, considering the above also stated for the purposes of article 1419 of the Italian Civil Code.





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29.2 The relationship between the Parties for the supply of goods or the provision of services under the Orders shall be governed exclusively by this Contract and the individual Orders. The Parties mutually acknowledge that any other documents, including those of a contractual nature, exchanged between them shall not be effective for the purposes of the relationship unless approved in writing by both Parties under this Contract.

29.3 Communications and/or notifications for the purposes of this Contract and/or the Orders shall be deemed to be validly transmitted if addressed to the addresses indicated above and by a suitable means to ascertain receipt by the addressee.

29.4 In addition and without prejudice to other provisions contained in this general conditions, the Supplier agrees that, once the Project has been concluded and the Services / Products have been provided, Phase may advertise on its website or publish articles in newspapers or specialized press at his own expense describing the Services/Products.

Date _____

Place, _____

Buyer

Seller

Pursuant to Articles 1341 and 1342 of the Italian Civil Code, the Parties declare that they have read and specifically approve Articles number 1.2 (Autonomy of Orders), 1.5 (Withdrawal), 3.3 (Form of Order and any changes), 3.4 (Acceptance of Order), 3.6 (Modulation of Deliveries), 4.1 (Prices), 5.4 (Limitation of Exceptions), 9.2 (Export Licences and Termination), 9.3 (Export Licenses and Suspension of Payments), 11.1 (Non-Accountable Delays), 11.3 (Remedies for Delays), 12.1 (Visits), 13.1-13.2-13.3 (Remedies for Non-Compliance), 13.6 (Non-Compliance and Suspension of Payments), 14.3 (Warranty Period), 14.4 (Warranty Content), 16.1 (Prohibition of Subcontracting), 18.2 (Indemnity for Intellectual Property Infringement), 19 (Express Termination Clauses), 20.2 (Indemnity for Default), 21.4 (Indemnity), 22.2 (Force Majeure Resolution), 22.4 (Force Majeure Communication), 23.1 (Documentation on payment of wages), 23.2 (Indemnity with respect to workers), 23.5-23.6 (Restrictions on access), 23.9 (Indemnity with respect to security), 25.1 (Prohibition of assignment), 25.2 (Change of control and right of withdrawal), 28 (Jurisdiction), 29.1 (Partial nullity), 29.2 (Written form), 29.4 (Advertising and Marketing)

Date _____

Place, _____

Buyer

Seller

