

**GENERAL PURCHASE CONDITIONS**  
(English version)

The following General Conditions are considered by the NIDEC platform as the governing document for any and all supplies of Products or Services Contracted between one of its composing entities and the supplier, duly qualified in the act of registration of access to the NIDEC SupplierPortal and/or identified in the Supplier Registration Form - Form A. The Supplier acknowledges and accepts these conditions, being the essential element by meaning of which NIDEC intends to enter into a commercial relationship with the Supplier.

**1. DEFINITIONS**

In these General Purchase Conditions, the following terms shall have been intended as having the following meaning:

- a) "Products" and/or "Services" shall mean any material, components, goods, equipment, part, service and other item to be provided by the Supplier to NIDEC;
- b) "General Conditions" or "Conditions" means the General Purchase Conditions issued by NIDEC Group;
- c) "Purchase Order" or "PO" means the completed purchase order document issued by NIDEC together with any documents referred to;
- d) "Supplier" means a person, firm or company named in the PO;
- e) "NIDEC" means one, or more, individually or jointly considered, of the entities that will be officially notified/confirmed to the Supplier as part of NIDEC platform;
- f) "Scheduling Agreement" means a long-term open order specifying in particular agreed commercial conditions determining the supplies and stating mainly (i) indicative volumes which will not set or constitute any right upon the Parties or third parties, (ii) fixed prices binding between the Parties, unless otherwise expressly agreed;
- g) "Release/Delivery Schedule" means the schedule of deliveries of individual Products on the basis of the Scheduling Agreement and in accordance with its conditions with a precise specification of the quantity and date of delivery, unless otherwise expressly agreed;
- h) "Supplier Portal" means the electronic tool used by some NIDEC entities to manage most parts, such as, but not limited to, registrations; consents; quotations; bids; etc, of its commercial relationship with Suppliers;
- i) "Form A" means a registration form used by NIDEC to collect initial information as well as consent from Supplier from time to time;
- j) "Purchasing Documents" means the set of documents that, jointly, may govern the relationship between the Parties, be it a PO; a Scheduling Agreement; a Release Schedule, etc.

**2. APPLICABILITY**

The General Conditions are considered as the ruling document of each commercial relationship between NIDEC and the Supplier, whether attached or expressly referred to in a particular document or not. In case of conflict between the provisions of the General Conditions and specific contract signed between NIDEC and the Supplier, provisions of the specific contract prevail to provisions of the General Conditions, unless otherwise resulted from, or expressly stated in these General Conditions or in such a contract.

**3. ACCEPTANCE**

The written and/or electronic confirmation given by the Supplier in the moment it accesses NIDEC Supplier Portal and/or its signature on the Form A, at the beginning of the relationship between NIDEC and Supplier or later on and/or the acceptance and execution of the Scheduling Documents, represents the full and irreversible acceptance of these General Conditions by the Supplier, not been valid any other terms or conditions presented by Supplier and not explicitly accepted by NIDEC.

**4. NIDEC PURCHASE COMMITMENT**

NIDEC will purchase Products and/or Services in the quantity or amount expressly agreed in the Purchase Order or in the quantity indicated in the firm period of a Release/Delivery Schedule based on the Scheduling Agreement. The acceptance of each Scheduling Agreement for each year is considered as agreed and bound for both Parties once it is sent by NIDEC to the Supplier by email to Supplier's usual email address, unless it is objected to within 10 days of receipt.

**5. PRICE AND OTHER COMMERCIAL TERMS**

Supplier will provide the Products and/or Services at the price expressly agreed that is intended fixed unless there is a different agreement between the Parties. Supplier warrants that the price for Products and/or Services including discounts and rebates, is no less favorable than those prices extended to any other customer of Supplier for the same or similar Products and/or Services in similar quantities. Supplier warrants that its prices are complete, final and fixed and that no additional charges of any type shall be added without NIDEC's prior written consent including, but not limited to charges for shipping, labeling, storage, cartage, insurance, taxes, brokerage fees, customs duties, and surcharges of any type, packaging (including costs of acquisition, replacement and maintenance of packing units for proper accommodation, handling, moving and warehousing, freight cost related to the return of the empty packing units), costs related to rights and other expenses in connection with patents, trademarks, manufacturing process and use of products and its spare parts, works, components, materials, rewards and costs, construction and manufacturing of components of products, insurance up to price of products, all transport costs of delivery to NIDEC, assistance by loading and unloading, storing, installation and assembly with all parts and components of products at NIDEC, staff training, including all transport, accommodation, meals and all other necessary costs of persons taking a part on performance of products, technical documentation and all other required, offered and/or agreed items. The price of Products and/or Services will be paid by NIDEC, subject to the receipt of a due invoice, according to the payment terms expressly written on the PO. Supplier agrees that NIDEC has the right to offset or recoup any indebtedness or obligations of Supplier to NIDEC, or other claim which NIDEC may have against Supplier under these purchase conditions or other agreement. In case there is a debit/credit account between the Parties, eventual existing credit balance in favor of the Supplier will be used to offset and reimburse NIDEC's evidenced losses originated by the Supplier's default. In case the Supplier or NIDEC expresses interest to change the agreed-upon price of the Products and/or Services, the Parties shall enter into negotiations with good will to reach an agreement. Until this agreement is reached, the original price of the Product is effective. Any intention to assign credits arising from this General Conditions by the Supplier to third parties may only occur after prior and expressed written authorization from NIDEC. If there is any NIDEC's advance of values to the Supplier and if it fully or partially discharges its obligations to supply the Products and Services, the amounts paid by NIDEC shall be immediately returned by the Supplier, with interest of 1% (one percent) per month, from the date of payment to the date of effective return, pro rata temporis, without prejudice to the other legal remedies in favor of NIDEC provided for in these General Conditions and/or by law.

**6. DELIVERY**

The conditions of delivery of the Products or Services are those indicated in the respective PO. The Supplier agrees that the fulfillment of the deadlines is essential in the activity developed by NIDEC and, for this reason, assumes responsibility for the timely delivery of the Products in the quantity and quality specified by NIDEC in the PO or on the timely and correct delivery of the Services, under penalty of having to reimburse and indemnify NIDEC for the losses suffered. In addition, if the Supplier identifies that it cannot meet the agreed deadlines, it must a) supply through third parties without charging any extra costs, provided that it has been previously authorized by NIDEC, remaining in this case fully responsible for the supply by such third party, or, b)

communicate to NIDEC in advance, so as to enable the parties to establish a plan of action comparable to the needs. Unless defined in a different written agreement between the Parties, transportations, transfers of the risks, costs, insurance and expenses shall be ruled according to INCOTERMS® 2020. In case the Supplier delivers the Products and/or Services in delay (after the fixed delivery date provided in the Purchase Order), this fact will automatically give NIDEC the right to, and save however any further damage claim: a) postpone the payment of the respective invoice issued by the Supplier considering a duration of time equal to the length of delay performed by the Supplier, independent of the maturity date; b) charge the Supplier with a penalty in the amount of 0.5% per day of the value of Products and/or Services to be delivered with the maximum amount of 10%; and c) terminate the agreement when the penalty reaches maximum amount and/or the delay causes slowdown or a shutdown of NIDEC manufacturing and/or operation activity. In case the Supplier delivers the Products in advance (before the fixed delivery date provided in the Purchase Order) this fact will not demand NIDEC to pay also in advance the respective invoice. The Supplier warrants that the packaging used to move the Product is adequate for its safety and correct accommodation, allowing the Product to arrive at the destination specified in the Scheduling Agreement or in the Purchase Order under conditions compliant with the specifications of the Product (according to the Article 8 of these Conditions). Otherwise, NIDEC reserves the right to reject such Product lot, without any additional costs to NIDEC.

#### **7. AMENDMENTS**

NIDEC may, at any time, amend the specific conditions for the acquisition of Products or Services, including, but not limited to, technical specifications, deadline, place of delivery, form of transport, among other requirements. In this case, if the Supplier's costs are materially affected as a result of the change intended by NIDEC, the Supplier shall communicate this fact within a maximum of 30 (thirty) calendar days from the request for change by NIDEC, so that the parties can negotiate the appropriate price adjustments and/or other terms and conditions. NIDEC shall be entitled to cancel any PO in whole or in part by giving notice to the Supplier at any time. In this case NIDEC shall be liable to pay to the Supplier fair and reasonable compensation for work-in-progress at the time of cancellation, but such compensation shall not include loss of anticipated profits or any consequential loss.

#### **8. SPECIFICATION OF THE PRODUCTS**

For the Products produced according to NIDEC's technical specifications or tailor made for NIDEC, the source of the technical specification shall be the drawing documentation, technical conditions, or other form of construction-technological documentation provided to the Supplier by NIDEC in a written and/or electronic form. Individual Products are indicated with the respective code of NIDEC, which is used in further identifications (such as orders and supplies). For the Products produced according to national or international technical standards, the sources of the technical specification are the respective technical standards. The Supplier is obliged to strictly follow such standards. These Products are indicated according to the respective technical standard (or to the numbering of NIDEC), which is used in further identifications (such as orders and supplies). Ensuring the compliance with the respective technical specifications, according to the agreed-upon quality standard, is the exclusive responsibility of the Supplier. All delivered Products must fulfill relevant standards defined by the applicable legislation. The Supplier is responsible for carrying out all examinations and tests of the respective Products according to the specification and is exclusively responsible for the Products being compliant with the respective requirements (standards). The specification includes also control and testing regulations for the assessment of compliance. In order to prevent eventual impacts to the Specifications of the Products agreed by the Parties as well as the supply of defective and/or inadequate Products which can generate damages to NIDEC's manufacturing processes or in the field, the Supplier obliges itself to require NIDEC previous authorization, in due time, on any and all changes in the Products specifications, or in its manufacturing processes, including changes of Supplier's subcontractor. Supplier is not allowed to assign the production or other core business to third parties, unless explicitly authorized by NIDEC.

#### **9. INSPECTIONS/TESTS**

The payment of the price or the inspection or testing of the Products by NIDEC does not represent NIDEC's acceptance of the quality of the Products and does not release the Supplier of its obligations. NIDEC may inspect the Products or Services and reject, in whole or in part, those that present defects, non-conformity to the specifications or non-reliability. In case the Product is not compliant, NIDEC shall be entitled to put the payment on hold, until the Supplier corrects the defect(s). Rejected Products may be returned to Supplier at its expense and without prejudice to NIDEC's other rights. NIDEC may charge Supplier for all expenses incurred in the inspection and return of the Products. If the Services provided by the Supplier do not comply with the conditions contained in the respective PO or Scheduling Agreement or if they are found to be insufficient, negligent or defective, in whole or in part, NIDEC may require the Supplier to correct or complete the Services, as the case may be, without prejudice to NIDEC's right to seek compensation of any eventual damages. NIDEC may, at any time, upon prior scheduling, inspect the Supplier's manufacturing facilities and review and assist Supplier's manufacturing and testing procedures with respect to the Products supplied. NIDEC will limit inspection only to areas related to the manufacture of the Products.

#### **10. QUALITY AND WARRANTY**

The Supplier is expected to comply with its obligations and deliver to NIDEC the correct quantity of Products and/or Services ordered, free from defects that could affect the Product and/or Service use and in compliance with the technical and quality requirements of NIDEC. The Supplier represents that it is solely responsible for being compliant under all kinds of obligations provided in these Conditions, mainly related to the good quality, consistency and safety of the Products and/or Services herein contracted. The Supplier guarantees, for the below defined Term of Warranty, that all Products or Services: a) shall be supplied or provided in accordance with applicable specifications, sample, designs, descriptions and standards in force at NIDEC's approval and certification, and any change in the Products or Services or in its execution/production process, shall be submitted to NIDEC for approval in a timely term prior to the supply and/or delivery; b) shall be packaged, identified and labeled in an appropriate manner and/or in accordance with the instructions provided by NIDEC; c) are new, subject to marketing, suitable for the purposes for which they are intended, safe and free from defects in raw material, labor and design; d) are manufactured and marketed in accordance with all applicable laws and regulations; e) shall have their property transferred to NIDEC free of charge, free of onus and encumbrances; f) do not infringe any trademarks, patents or other intellectual property rights of any third party; g) shall comply with NIDEC's Restricted Materials List as indicated in the Technical Standard Specification 002420, samples, models, drawings, descriptions and standards; h) shall be manufactured, sold and delivered in compliance with all relevant codes, laws and regulations including without limitation the RoHS Directives and REACH Regulation in their legally effective updated versions. Except in the cases that different periods are agreed in written by the Parties, the warranty period will be the longest of the following deadlines: (i) if the Products are not incorporated into the products manufactured by NIDEC, 18 (eighteen) months since the date of the beginning of the use of the Products or the acceptance of the Products or Services, whichever occurs last, or (ii) if the Products are incorporated into the products manufactured by NIDEC, 18 (eighteen) months from the date the Products are incorporated into the NIDEC's product or the warranty period given by NIDEC to its clients in the purchase of the products, whichever occurs last. Supplier can't claim any type of limitation to the warranties established herein in the event of a breach has been or will be previously established, unless otherwise agreed by NIDEC in writing. During the Warranty Period, the Supplier undertakes to repair, rework and rebuild, at its own expense, any Products or Services that are defective, damaged or incorrect, including those in stock or in the field. Any other quality agreements set forth by the parties are in addition to and do not replace or limit the warranties hereunder or any other rights of NIDEC, as provided by law or the Conditions. All warranties will remain valid upon inspection, testing, acceptance of the Products or Services and will survive termination of this Agreement. NIDEC is entitled to reduce the proportion of supply of products and/or services from the Supplier related to any proven quality issues. In addition, Supplier warrants that antidumping and countervailing duties do not apply to Products that are sold or exported to NIDEC before the publication date of an antidumping or countervailing duty order applicable to the Products and Supplier agrees to reimburse NIDEC for all anti-dumping or countervailing duties paid on imports of Products covered by this warranty in those cases. The receipt of the Product and/or Service and/or following payment of invoices should not be deemed as its acceptance. NIDEC reserves the right to check the Products and/or Services compliance, in terms of quality and quantity, both

upon delivery of Product and/or Services at NIDEC plant and later, during any step of the working cycle, but anyway, not later than what the applicable legislation of the NIDEC entity acquiring the Products and/or Services allows, unless sooner than 30 (thirty) days from the date on which the defect has been discovered, which will be the minimum period.

#### **10.1. SPECIFIC PROVISIONS ON PRODUCTS**

In case non-compliance of the Product or its production with the specifications of the Product is found in the supplied Product during the warranty period specified herein, the Supplier, save the indemnification of further / additional damages and according to NIDEC choice, undertakes:

- a) to substitute, and/or correct, and/or rework, and/or redo exclusively at its expense the nonconforming Product (according to the nature and frequency of the non-compliance, also the whole Product lot); and/or
- b) to reimburse the costs of the correction or reworking of the nonconforming Product, in rule, but not obligatorily, via debit note in case NIDEC should decide to fix it by itself, independently of the Supplier, and/or
- c) to collect the nonconforming Product within 7 (seven) calendar days from the written notice issued by NIDEC. In this case the Supplier won't be entitled to claim any payment and/or indemnification for the same Product. In case Supplier should not collect the nonconforming Product within 7 (seven) days from the written notice, NIDEC shall ship the nonconforming Product to the Supplier and Supplier shall indemnify and hold harmless to NIDEC from any expense resulting from such operation. In case there is a debit / credit account between the Parties, eventual existing credit balance in favor of the Supplier will be used, but not limited to, to compensate and reimburse NIDEC's evidenced losses originated by Supplier default. In any of the above listed cases, NIDEC will issue a written notice stating the choice made: the Supplier shall be obliged to act in compliance to such choice. Whatever option shall be applied, no additional costs shall be borne by NIDEC. In case it is necessary to trace and/or rework lots of supplied Product at NIDEC's site, Supplier will be responsible for the supply of qualified human and Product resources necessary and in due time to perform the work, so as not to impair NIDEC's manufacturing standards. Civil and labor liabilities related to above mentioned human resources will be solely borne by the Supplier. Any and all expenses incurred by NIDEC due to the work mentioned shall be reimbursed by the Supplier.

#### **10.2. SPECIFIC PROVISIONS ON SERVICES**

The Supplier undertakes the obligation to render the Services contracted observing high quality standards demanded by technical specifications applicable to the scope of the Services, as well as to employ duly qualified personnel to carry out the Services. In case the Services are rendered without taking into consideration the quality standards demanded by NIDEC, Supplier shall provide the Services over again without charging any additional costs whatsoever to NIDEC. The Supplier has the overall and exclusive technical responsibility for the Services contracted, being liable for their quality, reliability, accuracy and safety standards, according to the provisions of the prevailing agreement Unless otherwise expressly agreed in a contract or in other binding document, in case the Supplier fails to be compliant with any of the obligations related to the rendering of the Services, NIDEC will be entitled to charge the Supplier with a fine in an amount corresponding to 10% (ten per cent) of the total value of the 3 (three) latest invoices or of highest monthly turnover in the latest 12 twelve months, whichever is higher. This penalty will not affect NIDEC's right to claim for damages (manufacture stoppage, lost profit, etc.) and/or further responsibilities.

#### **11. INSURANCE**

Unless otherwise negotiated by the Parties expressly in the Purchasing Documents, the Supplier shall, at its own expense, provide the following insurance , with sufficient coverage and compatible with the Supply made, informing the respective certificates of insurance issued by the relevant Insurance company upon request to NIDEC:

- a) All risks;
- b) General Civil liability (motor-vehicles included if relevant for the execution of the supply);
- c) Other insurance that is necessary due to the nature and degree of risk of the supply.

#### **12. LIABILITY AND INDEMNIFICATION**

The Supplier shall protect, defend (upon request in this case) and indemnify NIDEC, its parent companies, affiliates and subsidiaries, as well as their successors, assignees, agents, representatives, employees and consumers, with respect to any and all judicial or extrajudicial claims (including attorney's fees and amounts paid in agreements) arising from a) actual or alleged infringement of trademarks, patents or other intellectual property rights or competition rules, incurred in the manufacture and/or commercialization of the Products or Services; b) material and/or personal losses or damages caused to NIDEC or third parties, including rework or recall costs, arising from: (i) defects, non-compliance with specifications or defects, failures and/or non-liability of the Products or Services; (ii) breach of warranty or any other duty arising from this Agreement by the Supplier; (iii) delayed delivery of Products or (iv) violation of rules, laws or regulations by the Supplier.

#### **13. LIMITATIONS OF DAMAGES**

NIDEC will not be liable to Supplier for indirect, special, consequential, incidental, punitive or exemplary damages (including lost profit), even arising out of supply's termination and/or PO cancellation. NIDEC will not agree on limitations of Supplier's liabilities, unless expressly agreed in writing between the parties.

#### **14. CONSUMER PRODUCTS SAFETY**

The Supplier shall immediately notify NIDEC in writing if it identifies any Products or Services: (a) not complying with or failing to comply with any applicable environmental or product safety standards; (b) have any defect that could create a risk of injury or injury to users and/or oblige NIDEC to advise them of the existence of such defect; or (c) contain or have been produced or supplied with the use of any substance (i) that is or will be specified in law or regulation, national or international, as hazardous to health or the environment, or (ii) creates to any of the Parties, by law or regulation, national or international, the obligation to warn users about the use of such substance. In particular, all Products and/or Services must be compliant with all relevant applicable legislation regarding Hazardous Substances ("HS"), including but not limited to the RoHS Directives, REACH Regulation and CLP Regulation, in their legally effective updated versions. Without any prejudice to the foregoing, the Supplier shall submit to NIDEC, at any time, any clarifications and technical information that may be requested by NIDEC concerning the Products or Services provided.

#### **15. ENVIRONMENTAL, HEALTH AND WORK PROTECTION**

The Supplier acknowledges that NIDEC follows Environmental Managements Systems according to the following International standard rules: UNI EN ISO 9001, UNI EN ISO 14001, IECQ HSPM QC080000, ISO 45001 whereupon the Supplier undertakes to follow all requirements provided by the laws and by NIDEC rules, when applicable, related to prevention and protection of environment, health and safety, as but not limited to: (i) prevent contamination of water/atmosphere/other element of the environment; (ii) grant reliable waste management; (iii) notify NIDEC of any emergency and/or hazardous situation affecting the Environment and / or human health connected or somehow linked to NIDEC activities; (iv) eliminate environmental contamination in NIDEC's facilities originated by the fault and/or negligence of the Supplier on his own costs; (v) involved in the Services, supply qualified and trained persons in accordance to actual laws; (vi)

always avoid and/or prevent any damages to the safety of employees and other third parties involved and to NIDEC's property; (vii) provide to Supplier's employees adequate training about NIDEC's health and safety requirements and/or rules before starting to provide Services. (viii) comply with all agreed safety rules and procedures set forth in the Internal Health and Safety Training; (ix) assumes full responsibility for compliance with the conditions of occupational safety and health protection in the assigned workplace a) if supplier works without interaction with NIDEC employees; b) in the case of work at a joint workplace of several suppliers or in cooperation with NIDEC's employees, unless agreed otherwise in specific written agreement on working conditions with regard to health and safety at the joint workplace with NIDEC. In case of any breach or non-compliance of the Supplier with any obligation or responsibility set up in this Article, the Supplier will be subject to the payment of a contractual penalty in the amount equivalent to US\$ 5.000.00 (five thousand US dollars) for each breach. This penalty will not affect NIDEC's right to claim for damages and/or further responsibilities.

#### **16. TOOLING**

If in the scope of the relationship between NIDEC and the Supplier there is included the development, adaptation, manufacture, installation or provision of molds, tools or other machines and equipment ("Tooling"), the Supplier shall, upon NIDEC's request and after completion of development, submit the drawings and specifications of the Tooling for prior review and approval by NIDEC. The Supplier shall not begin to manufacture the Tooling until it receives written authorization from NIDEC in this regard. The payment for the Tooling, when under NIDEC's responsibility, will be made only after the Supplier installs tests and demonstrates that the Tooling meets the applicable specifications (start-up). The Tooling itself, the Drawings of the Tooling developed for NIDEC, its spare parts and other materials necessary for its use ("Tooling and Accessories") supplied to NIDEC and paid by NIDEC (including Tools paid through amortization in Products or Services), even if assigned to the Supplier on a lending basis, are the exclusive property of NIDEC, and the Supplier must comply with all legal requirements and NIDEC's specifications regarding its use, maintenance, storage and transportation. All Tooling and Accessories shall be identified as NIDEC's property and shall be used only for the manufacture of Products or employment in services intended for NIDEC. It is already agreed that the Tooling must be used by the Supplier solely and exclusively for the service of NIDEC. In case of termination of the Contract for any of the reasons listed in these Conditions or by means of NIDEC's filing herein, the Supplier shall, at its exclusive expense, immediately return the Tooling to NIDEC. NIDEC may also inspect and inventory such Tooling or other property at any time; moreover, upon NIDEC's request, the Supplier shall place a label indicating NIDEC property and/or asset number on the tool. Supplier agrees not to sell or otherwise dispose of parts, Products, or Tooling without NIDEC's written consent and without first removing NIDEC's identification or trademarks. Upon NIDEC's request, supplier shall properly prepare Tooling and other property for shipment and delivery directly to NIDEC or other location specified by NIDEC, or at NIDEC's option, allows NIDEC to access to the Supplier's premises for the purposes of removing the Tooling and other property. The Tooling and other property shall be returned in the same condition as originally received by Supplier. Supplier agrees to execute NIDEC's standard tooling agreement upon NIDEC's request and further agrees that NIDEC may file any financing statement or other documents to protect NIDEC's interest in the Tooling and other property. Supplier shall not include NIDEC's Tooling or other property as any collateral, loan or pledge and waives all statutory and other liens. The Supplier should carry out the maintenance necessary for the operations of the equipment under free loan. The Supplier is obliged to notify NIDEC without delay about each and any need of intervention on the Tooling which may affect quality of Product. The Supplier is obliged to notify NIDEC on a regular basis about life expectancy of the tooling. This provision applies unless there is a specific Tooling Agreement in place between NIDEC and the Supplier.

#### **17. LACK OF BONDING**

This Agreement does not constitute either Party as a representative, agent, employee or attorney of the other Party. Any and all charges of a fiscal, social, labor or social security nature that are due directly or indirectly from the supply of the Products or Services shall be the sole responsibility of the Supplier, without any solidarity or duty of reimbursement from NIDEC. The Supplier shall provide to NIDEC, if and when requested by it, a certified copy of the documents proving its fiscal, labor, social security, and other regularity, within the period stipulated by NIDEC for delivery.

#### **18. PROVISION OF SERVICES IN NIDEC'S INSTALLATIONS**

When applicable, the Supplier shall submit to NIDEC a list of its employees who will have access to NIDEC's facilities for the provision of the Services, as well as to ensure that these employees follow the standards and conduct procedures adopted by NIDEC, including internal policies and Code of Conduct, under penalty of being liable for the payment to NIDEC of any losses arising from damages its employees may cause, voluntarily or involuntarily, to NIDEC's facilities and employees or third parties, to the limit of its involvement. The Supplier shall deliver and be responsible for the use by its employees of the Personal Protection Equipment ("PPE") and Collective Protection Equipment ("CPE"), as well as annually deliver to NIDEC all the documentation related to the health and safety of its employees as well as mandatory training established in the applicable agreement. The Supplier shall notify NIDEC of any work-related accidents within a maximum period of 24 (twenty-four) hours, as well as the relevant authorities, when applicable. The Supplier shall request that the relevant authority investigates all the occurrences of serious and fatal accidents with legal repercussions. In cases where the Supplier employs foreign labor to carry out any service contracted by NIDEC, for execution in its premises or not, the Supplier shall undertake to submit to NIDEC, prior to the beginning of the services, visas or work permits for foreigners, necessary for the regular execution of the services in the country, according to the legislation in force.

#### **19. LABOR OBLIGATIONS**

The Supplier assumes, for all legal purposes, that it is the sole employer of the employees it employs, being responsible for all labor, civil, tax and social security charges, in relation to its employees, contractors, agents or designated partners for the supply of the Products or execution of the contracted services, including: salaries, indemnities, prior notice, holidays, labor accidents, insurance and others, as well as for the payment of all federal, state, municipal and existing or that may be created during the term of the relationship between the Supplier and NIDEC. The Supplier shall, in and out of court, exempt and indemnify NIDEC to the fullest extent permitted by law, directly or on the way of return, as the case may be, bearing all costs, expenses, legal fees (contractual and loss), damages, damaging effects, among others that may arise from the claim or demand, whether labor related or not, by their employees, contractors, agents or partners, within 10 (ten) days counted from the receipt of notification to that effect. Such obligation shall subsist, even if by judicial decision, NIDEC shall be declared jointly or subsidiarily liable for the payment of such charges.

#### **20. INSPECTION**

NIDEC has the right to conduct a periodic inspection to verify the compliance with its obligations, including related to labor, occupational health and safety, CTPAT among others. If during the inspection NIDEC detects situations that are not in conformity with the obligations assumed by the supplier and/or with the applicable laws, NIDEC may determine the immediate stoppage of the supply or service for the period necessary, as well as the fulfillment of NIDEC's requirements within 24 (twenty-four) hours for correcting irregularities. If the supplier does not correct the nonconformity situation within the time limit set forth above, NIDEC reserves the right to terminate the supply or the services regulated by these General Conditions of Supply and any other contracts in force between NIDEC and the supplier, in the sole discretion of NIDEC, in addition to losses and damages. The right of inspection exercised by NIDEC does not exempt or diminish the liability of the Supplier for any damages caused to third parties and/or NIDEC itself, due to defects and/or the inefficiency of the supply or services.

#### **21. INTELLECTUAL PROPERTY**

The supplier declares and guarantees that the intellectual property employed in any of its activities, as well as in the services and/or products covered in this General Purchase Conditions, (i) is its

sole property; (ii) is licensed to the supplier; or (iii) is legally in the public domain. The supplier declares and agrees that any and all intellectual property resulting from research and/or development activities related to the execution of the supply or services by the supplier with or without NIDEC's contribution shall belong exclusively to NIDEC. The supplier undertakes to obtain all licenses and authorizations, as well as to ensure that his personnel allocated in the execution of the supply or services sign any and all documents necessary to ensure the intellectual property of NIDEC. The acceptance of this General Purchase Conditions does not guarantee to the supplier any authorization to mention, disclose or otherwise use the business name (or any part thereof), products, corporate information or trademarks of NIDEC, without the prior and expressed authorization thereof, duly formalized in writing by its legal department.

## **22. CONFIDENTIALITY**

NIDEC and the Supplier acknowledge and agree that any and all information exchanged between them, by any means, throughout the term of their relationship constitutes the confidential information ("Confidential Information"). Such information, disclosed by any means, and regardless of whether or not it is marked as confidential, private, or restricted, shall be held as confidential by the other party. NIDEC and the Supplier agree to disclose the Confidential Information only to those employees who need to be aware of their activities, to use the same level of care that they use with their own confidential information at all times, using, in any way, the all of the reasonable care possible to maintain confidentiality of Confidential Information. It will not be considered as confidential information that a) the receiving party can prove, at the time of receipt, that it was already of his/her knowledge before receiving it from the other party; b) is or becomes public by act that does not fall under the intent or guilt of the party receiving the information; c) has been disclosed by expressed written permission of the holder of the information; or d) has been disclosed pursuant to the requirement or request of a governmental agency, a court or administrative subpoena or an order or other legal process or requirement of law so long as it shall: (i) the disclosing party first notifies the other of such request or requirement; (ii) in the case of a required disclosure, furnish only such portion of the Confidential Information as it is advised in writing by counsel that it is legally required to disclose; and (iii) cooperate with the non disclosing party in its efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to that portion of the Confidential Information that is required to be disclosed. Within 15 (fifteen) days after the termination or expiration of the relationship between the Parties or after written request of NIDEC, the Supplier shall promptly: (i) return all Confidential Information of NIDEC and all copies thereof or (ii) destroy all of its files, and memoranda prepared based on NIDEC's Confidential Information; and (iii) provide to NIDEC a written certification that all such information and materials have been returned or destroyed. Notwithstanding the foregoing, Supplier may retain archival copies of the NIDEC's Confidential Information in accordance with policies and procedures designed to comply with legal, regulatory and professional requirements, and solely to demonstrate compliance therewith.

## **23. PERSONAL DATA PROTECTION AND TREATMENT**

NIDEC informs Supplier that all personal data that NIDEC knows or of which NIDEC will be aware for any reasons related to these Conditions or any other relationship with the Supplier, will be treated exclusively - even when transmitted to third parties - for purposes related to this supply; formalized through PO; with the supply contract or other legal obligations. The data will be included in paper and electronic files and processed by electronic means and only professionals, in charge of processing or however under an obligation of confidentiality may access them. Organizational safety measures are adopted in order to prevent unauthorized access or unintentional loss and/or destruction of data, including the creation of back-ups. If the scope of the relationship between NIDEC and the Supplier involves, in any way, even if accessory, the processing of personal data (here understood as any information related to the natural person identified or identifiable) the Parties shall perform said treatment based on the applicable legislation, when applicable, such as, but not limited to, the General Data Protection Act (Law 13709/2018); General Regulation on Data Protection of the European Union (EU Regulation 2016/679); among others, as well as the following premises. Each Party is a separate controller in respect of the personal data it process and shall independently determine the purposes and means of such processing according to applicable legislation. NIDEC and Supplier acknowledge and confirm that they will observe all applicable requirements of data protection Laws and will, on request, provide the other at its own expense with reasonable assistance, information and cooperation to ensure compliance with the respective obligations under data protection Laws. In regard with the personal data treatment, each Party acknowledges, confirms and represents for its own part that, as a controller of personal data: a) all personal data collected or sourced by it or on its behalf for processing in connection with the supply of the Products or performance of the Services shall comply with and have been collected or otherwise obtained in compliance with applicable data protection Laws; b) all instructions given in respect with personal data treatment shall be in accordance with applicable data Laws. If the Supplier becomes aware of a personal data breach related to the supply of the Products or the providing of the services, it shall notify NIDEC without undue delay, and shall also co-operate with NIDEC, to the extent reasonably requested, with actions to mitigate the damage caused by the breach. In the event of such a breach, Supplier shall fully and immediately comply with applicable laws, and shall take the appropriate steps to remedy such Breach. In addition, must defend, indemnify and hold NIDEC, its Affiliates, and their respective officers, directors, employees and agents, harmless from and against any and all claims, suits, causes of action, liability, loss, costs and damages, including reasonable attorney fees, arising out of or relating to any third party claim arising from breach by Supplier of its obligations regarding a breach of personal data, except to the extent resulting from the acts or omissions of NIDEC.

## **24. VALIDITY AND TERMINATION**

Unless a time limit is stipulated in the PO or in a Scheduling Agreement, these General Conditions shall be valid by an indeterminate period of time, counted from the date of commencement of the relationship between the parties. NIDEC may immediately terminate without notice and automatically any PO or release for cause in the event of any default by supplier. Defaults include, but are not limited to: (i) late delivery; (ii) delivery of Products and/or Services that are defective or that do not conform to these Conditions and other contractual documents to whom these Conditions are directly or indirectly referred to; (iii) failure upon request to provide NIDEC with reasonable assurances of future performance; (iv) Products and/or Services become subject to antidumping or countervailing duty order; or (v) failure to comply with NIDEC's Supplier Code of Conduct (vi) substantial breach of these Conditions or the contract with NIDEC. Additionally, NIDEC may cancel any PO in the event of Supplier's insolvency, filing of bankruptcy, assignment for creditors, appointment of a receiver, or inability of supplier to pay debts as they mature or become due. If there is a termination for cause, NIDEC shall not be liable to Supplier for any amount, and Supplier shall be liable to NIDEC for all damages sustained because of Supplier's breach or default.

IN such a case however the Supplier shall be subject to a non-compensatory fine in an amount corresponding to 10% (ten per cent) of the total value of the 3 (three) latest invoices or of highest monthly turnover in the latest 12 (twelve) months, whichever is higher in cases of:

- a) Total or partial shutdown of the development and/or supply or rendering of services, of the Supplier's responsibility;
- b) Violation of NIDEC's procedures and safety, hygiene and environmental standards and/or any other internal standard and/or specific legislation;
- c) Breach of an obligation exclusively by the Supplier, not regularized by the Supplier within ten (10) days from the filing by NIDEC or within a period agreed upon by the Parties.

NIDEC may as well terminate its relationship with Supplier, at any time and without cause, by given a written notification with the minimum advance provided for in the PO or, if there is no express forecast, with a minimum advance of 30 (thirty) calendar days (this period hereinafter referred to as "Phase-out"). In case the Supplier informs the partial or total discontinuance of the supply or services in relation to NIDEC the minimum notice period must be of 90 (ninety) calendar days. During the Phase-out period, the Supplier agrees that it will cooperate and make every effort to minimize the adverse effects of termination to NIDEC.

## **25. ASSIGNMENT**

The Supplier may not assign any of its rights or obligations arising from its relationship with NIDEC, except by written approval of NIDEC accordingly.

## **26. SPARE PARTS**

If the supplier's obligations will include the supply of parts or other components for line and spare supply (items contained in the finished products of the NIDEC portfolio), the supplier guarantees to remain able to provide to NIDEC Spare parts for the period of 10 (ten) years from the last purchase made for the assembly line. The price of spare parts should follow the last purchase price of the material for the assembly line, with readjustments subsequently negotiated based on inflation indicators. In the case of supply of parts for the exclusive use of NIDEC, as per negotiated between the parties or when the goods are developed using the technical specifications, drawings, know how, etc of NIDEC, the Supplier hereby guarantees that the supply of such parts will be made exclusively to NIDEC, and the Supplier hereby undertakes not to sell, directly or indirectly, the parts with its mark in the market of spare parts. In the case of an NIDEC's exclusive consumption item the Supplier is also obliged not to print its mark on the supplied parts. If requested by NIDEC, the supplier shall print the NIDEC Supplier registration code on the parts.

## **27. INVESTMENTS**

The Supplier declares that it has the necessary means to supply the Products or Services and also acknowledges that any investment that it may make, any cost or expense incurred by it in acquiring real estate, vehicles, machinery or equipment, and any improvements thereto or any other asset, has been and will be at its sole expense and is part of the risk of Supplier's business activity. The parties hereby agree that the Supplier shall not be entitled to submit any claim against NIDEC for the reimbursement of such investments, costs, expenses or improvements, unless previously and expressly agreed in writing by NIDEC based on an investment plan approved by both parties.

## **28. FORCE MAJEURE**

Delay or failure to fulfill the obligations of a party shall not constitute default if it arises from an act of God or force majeure, which shall be notified no later than 48 (forty eight) hours from the event in order to be classified as such. For the purposes of these general conditions, lack of raw material, shipping's constraints or strike of Supplier's employees will not be considered events of fortuitous case or force majeure. If the event of an Act of God or force majeure lasts for more than thirty (30) days, the injured party may terminate the relationship without incurring any penalties.

### **28.1. HARDSHIP**

The Parties are bound to perform its contractual duties even if events have rendered performance more onerous than could reasonably have been anticipated at the time of the conclusion of the contract. However, where a Party proves that: (i) the continued performance of its contractual duties has become excessively onerous due to an event beyond its reasonable control which it could not reasonably have been expected to have taken into account at the time of the conclusion of the contract; and that (ii) it could not reasonably have avoided or overcome the event or its consequences, than the Parties are bound, within a reasonable time of the invocation of the present clause, to negotiate alternative contractual terms which reasonably allow to overcome the consequences of the event/circumstance. If the Parties have been unable to agree alternative contractual terms as provided for in the above paragraph, either party is entitled to terminate the contract or request the judge or arbitrator to adapt the contract with a view to restoring its equilibrium, or to terminate the contract, as appropriate. The provisions of this Clause do not apply in cases which beyond doubt qualifies as Force majeure, as supported by relevant evidence or publicly available information, in which case the provisions of Force majeure clause 28 apply.

## **29. WAIVER**

The tolerance of either party in relation to any breach of these General Conditions by the other party shall not constitute any modification, novation or waiver of any right or privilege. Any changes to these General conditions, PO or Scheduling Agreements will only be valid if formalized in writing between the parties. In the event of a conflict between the General conditions, a specific PO or a Scheduling Agreement, the following documents shall prevail: 1) General Conditions; 2) PO; 3) Scheduling Agreement.

## **30. APPLICABLE LAW AND DISPUTE SETTLEMENT**

These GPC as well as the contractual relationship that the GPC are part of are governed exclusively by the laws of the country where the NIDEC entity involved is located. In the event a dispute between NIDEC and the Supplier arises out of or in connection with the present Conditions and/or with the contractual relationship herein referred, the matter shall be resolved by friendly negotiation between the Parties. If the dispute is not resolved by friendly negotiations within 60 (sixty) calendar days after the commencement of such negotiations, then any dispute arising out of or in connection with the present Conditions and/or with the contractual relationship herein referred, shall be finally settled by following the below rules, depending on the location of the NIDEC entity that is involved in the dispute:

- a) For the entities located in the Asia Region: Arbitration Tribunal, following the rules of the China International Economic and Trade Arbitration Commission ("CIETAC") taking place in Beijing;
- b) For the entities located in Mexico: The courts of Monterrey according to Mexican laws;
- c) For the entities located in the USA: Arbitration Tribunal, following the rules of Arbitration of the International Chamber of Commerce (ICC), taking place in Atlanta;
- d) For the entities located in the South America Region: Arbitration Tribunal, following the rules of Arbitration of the International Chamber of Commerce (ICC), taking place in Sao Paulo;
- e) For the entities located in the Europe Middle-East and Africa (EMEA) region: Arbitration Tribunal, following the rules of Arbitration of the International Chamber of Commerce (ICC) and taking place in Milan.

### **30.1. SPECIFIC RULES APPLIED TO THE CASES OF ARBITRATION HELD UNDER THE ICC**

The decision will be made by 3 (three) arbitrators appointed in accordance with the said Rules. The Emergency Arbitrator Provisions shall not apply. The award will be rendered according to the United Nations Convention on Contracts for the International Sales of Goods ("CISG"), whenever applicable, and if not, according to the laws of the country where the NIDEC entity involved in the dispute is located. No matter the seat, the language shall be English and the award rendered by arbitrators shall be final and binding upon both parties hereto. The award will be made and will be payable in US dollars, unless different currency is agreed between the Parties.

## **31. SOCIAL RESPONSIBILITY/COMPLIANCE**

The parties acknowledge the importance of developing social responsibility practices. In this sense, during the execution of the supply or services, the Supplier undertakes to comply with NIDEC Supplier Code of Conduct (available on company's website) and to acknowledge and support the principles and practices there recalled.

## **32. ANTI-CORRUPTION LEGISLATION**

The supplier expressly declares and ensures to NIDEC that, currently and, as of this date, in the preceding five years:

- a) It has not infringed or it is not infringing any anti- corruption legislation or related legislation applicable to itself in the countries where it operates;
- b) It is aware that has never acted and will not act in disagreement with the provisions of any similar foreign law (such as, but not limited to: the Brazilian Clean Company Act - Law No. 12.846/13, the Foreign Corrupt Practices Act - FCPA - the United States of America; the UK Bribery Act - UKBA - of the United Kingdom) in any aspect;
- c) It was not convicted nor suffered any penalty or fine application due to bribery or any other activity related to corruption ; and

d) That was not and is not under investigation by any governmental authority on the possible violation of anti-corruption laws or related legislation.

If there is any exception to the fulfillment of the items above, the supplier shall immediately inform NIDEC. The Supplier further declares and ensures that it accepts and undertakes to comply, in an unrestricted manner, with the provisions of the NIDEC Supplier Code of Conduct, as well as:

a) Presents itself and will remain for the entire duration of its relationship with NIDEC in accordance with all applicable laws, regulations and administrative regulations applicable to its business;

b) None of its members, associates, directors or employees are a Governmental Authority or has a direct relation of family with Governmental Authority (any collaborator member of: federal, national, supranational, state, municipal or other similar government; or any other body exercising any statutory, administrative, executive, judicial or other authority or power of attorney, or any other body having statutory, administrative, judicial or administrative authority, including its divisions, agencies, departments, legislative, police, regulatory or fiscal; candidates for public roles or politicians' peers; any person acting on behalf of any such institution);

The supplier shall inform NIDEC in writing and at least 10 (ten) days in advance if it or any of its members intend to become a governmental authority, and in this case NIDEC may terminate, in full, the relationship with the Supplier. As from the date (and including this date) in which NIDEC exercises its right of withdrawal pursuant to this paragraph, Supplier shall not be entitled to any additional fee or other payment, since such termination shall not affect the right of the Supplier to receive the amounts related to services already provided before the date of termination or to the extent provided by applicable law.

Without prejudice to the other provisions set forth in these General Conditions, in the event of breach by the Supplier of any provision regarding clauses dealing with anti-corruption laws and regulations, including but not limited to the provisions of these General Conditions, the Supplier undertakes to indemnify, without limitation, NIDEC and its respective officers, directors, employees, agents and clients, of fees and legal costs (including research expenses) that may be incurred by them as a result of any breach, irrespective of prior administrative, arbitral, and arbitration award, and any damages, losses, penalties, loss of profits, costs and expenses or judicial decision.

### **33. INSTALLATION CHANGE**

Changes in the manufacturing plant and/or place of manufacture of the Products and alteration of its Taxpayer ID that may be promoted by the Supplier shall be communicated in writing to NIDEC at least three (03) months in advance. The supplier must ensure supplies throughout the period of change and certification of items.

### **34. SUPPLY CHAIN SECURITY (CTPAT).**

Supplier acknowledges and accepts that NIDEC participates in the Customs Trade Partnership Against Terrorism ("CTPAT") program of the US Bureau of Customs and Border Protection (CBP) of the USA and the Authorized Economic Operator program (OEA), granted by the Federal Revenue of Brazil and the Tax Administration Service in Mexico, which gives NIDEC the status of a low-risk operator, reliable and, therefore, enjoys the benefits offered by Brazilian and Mexican customs, related to greater agility and predictability of its cargo in international trade flows, with the purpose of strengthening the security in the supply chain. Likewise, Supplier warrants that it has reviewed its supply chain security procedures and that these procedures and their implementation are in accordance with the criteria set forth by CTPAT and OEA. Specifically, but not limited to, Supplier warrants that it is applying CTPAT and OEA required inspection methods prior to loading of the transport conveyances; its maintenance of secure control over its loaded and empty transport conveyances; is controlling and applying certified high security seals for securing transport conveyance doors; and, is ensuring that its business partners are compliant with the criteria set forth by CTPAT and OEA. Supplier further warrants and represents that it has developed and implemented, or will develop and implement, procedures for periodically reviewing and, if necessary improving its supply chain security procedures. Supplier agrees to conduct an annual security audit at each of its facilities and to take all necessary corrective actions to ensure the continued compliance of NIDEC in the CTPAT and OEA programs. Supplier will take all necessary corrective actions to ensure the continued compliance of NIDEC in the CTPAT and OEA programs. Supplier agrees to share with NIDEC the results of such annual audits and agrees to prepare and submit to NIDEC a report on the corrective actions taken in response thereto. In the event the Supplier fails to take an appropriate corrective action, NIDEC may, but it's not required to, terminate any contractual relationship existing between the parties. In addition to what is established in the previous paragraph, the Supplier may, from time to time, be subject to the audits and inspections that NIDEC may execute to confirm the compliance of Supplier with the CTPAT and OEA programs in accordance with the provisions set of in clause 20 "Inspection" of this document; for this, NIDEC's auditors will be provided access to Supplier's records and facilities for the purpose of verifying that Supplier's procedures are in accordance with the criteria set forth by CTPAT and OEA. Supplier shall provide NIDEC with documentary evidence of its enrollment in any supply chain security accredited programs such as CTPAT, OEA or other similar program that may exist in the country/state where NIDEC is located.

### **35. SPECIFIC REQUIREMENTS BY REGION**

#### **35.1. BRAZIL**

##### **SUPPLIER REGULARITY CERTIFICATE**

When applicable, for NIDEC entities that require it, the supplier is obliged to obtain, on a monthly basis, the Supplier Regularity Certificate (SRC), issued, solely and exclusively, through an online platform provided by a certified third party consultant indicated by NIDEC. The referred SRC will validate the fulfillment of the obligations imposed by current legislation to the Supplier, covering the following:

a) Labor legislation;

b) Social security legislation;

c) Safety and occupational health;

d) Personal Data Protection Laws;

e) Legal Qualifications for the exercise of the activity;

f) Other foreseen laws related to the contracted activity.

New laws or regulations, which may be created and/or altered, as well as certifications or obligations imposed to NIDEC to comply with internal audits, may be added to the above list. Failure to deliver, irregularity or non-payment of obligations, will be subject to penalties, which may be blocking partial or total access to the NIDEC premises, or payment withholding, until the irregularities pointed out are duly adjusted and / or settled. The Supplier agrees that it shall be fully responsible for bearing the costs of use of the SRC online platform, paying directly to the third party consultant without NIDEC's intervention. The non-payment of the costs will equally cause the blocking of access to the NIDEC's premises, as well as the suspension of any ongoing agreements, until effective proof of payment is presented to NIDEC.