

General Terms of Purchase (USA)

1. Scope

These General Terms and Conditions are applicable to all purchases made by NIDEC MOTORS & ACTUATORS (USA), Inc., its subsidiaries and divisions, and any entity controlling, controlled by, or under common control with it (NMA), from the supplier indicated on the purchase order (the .Supplier.) whether for tooling, machines, parts, raw materials, or other various goods or services (hereinafter individually or collectively called the .Supply.).

These General Terms and Conditions shall constitute the only agreement applicable to all purchases of Supply by NMA and expressly exclude the application of the Suppliers general terms of sale as well as any documents now or in the future issued by Supplier in relation to the purchase order or the Supply. These Terms and Conditions may not be varied or modified in any manner, unless in a subsequent writing signed by an authorized representative of NMA. No course of dealing or usage of trade shall be applicable unless expressly incorporated in this agreement. Any stenographic or clerical errors are subject to correction by NMA. Supplier's written acknowledgment, commencement of work on the Supply, or shipment of the Supply, whichever occurs first, shall be deemed an effective mode of acceptance of these terms. Any acceptance by Supplier is limited to acceptance of the express terms set forth in this document. Any proposal for additional or different terms or any attempt by Supplier to vary in any degree any of the terms of this offer is hereby objected to and rejected. Any such proposal shall not operate as a rejection of this offer unless the variances are in the terms of the description, quantity, price or delivery schedule of the Supply, but shall be deemed a material alteration. Accordingly, this offer shall be deemed accepted by Supplier without such additional or different terms. If these Terms and Conditions shall be deemed an acceptance of a prior offer by Supplier, the acceptance is expressly made conditional on assent to the additional or different terms and such acceptance is limited to the express terms set forth in this agreement. Additional or different terms or any attempt by Supplier to vary in any degree any of the terms of this agreement shall be deemed material and are objected to and rejected.

2. Order

2.1 All purchases made by NMA shall take the form of a purchase order issued by NMA.

In the event of an emergency, the Supply can be delivered or furnished against a collection note issued by NMA or against a purchase order number provided by NMA.

2.2 Supplier shall acknowledge receipt of the purchase order within fifteen (15) calendar days of the date of the purchase order by mail or fax, by returning a duly signed copy of the purchase order to NMA. Where no such acknowledgment of receipt is issued, commencement of work under the purchase order shall be considered an acceptance of these General Terms and Conditions by Supplier.

2.3 When deliveries are specified to be in accordance with NMAs written releases, Supplier will not fabricate, assemble or ship any Supply, or procure required materials, except to the extent authorized by a written release issued by NMA or provisions of the purchase order specifying fabrication or delivery quantities.

3. Compliance

3.1 Without prejudice to the provisions of Article 3.2, the Supply shall be in compliance with all drawings, specifications, express and implied warranties set forth herein or as may be set forth in documents provided by NMA to Supplier.

3.2 In providing the Supply, Supplier will comply with any and all applicable federal, state and local laws, regulations and standards in force in the United States or in the country of manufacture and sale, including but not limited to the Occupational Safety and Health Act, the Fair Labor Standards Act, any law or order pertaining to discrimination, including Federal and State Civil Rights statutes and EEOC regulations, the National Traffic and Motor Vehicle Safety Act, all hygiene and safety constraints on restricted, toxic and hazardous material and provisions pertaining to environmental, electrical and electromagnetic considerations.

All quotations or prices established in reference to the Supply shall be in compliance with all applicable laws and governmental regulations.

3.3 At the request of NMA, Supplier will provide an appropriate certificate stating the country of manufacture of the Supply.

3.4 Supplier shall strictly adhere to the requirements of the NMA Quality System plan, a copy of which Supplier hereby acknowledges receipt. Supplier will comply with all QS quality requirements.

4. Industrial and Intellectual Property Rights

4.1 Supplier shall be responsible for confirming the validity of its industrial and/or intellectual property rights related to the manufacture and sale of the Supply. Supplier shall specifically identify in writing to NMA any patented components or processes, tooling, machines or equipment used in manufacture of the Supply.

4.2 Supplier authorizes NMA to finalize and produce the Supply, including any tooling or equipment, upon a breach by Supplier of these General Terms and Conditions or the purchase order, even where the Suppliers intellectual and/or industrial property rights are utilized for the design and manufacture of tooling or equipment. Supplier shall provide to NMA all information necessary for the manufacture of the tooling or equipment upon such breach and grants to NMA a royalty free license on the intellectual or industrial property rights in order to finalize or produce the Supply.

5. Delivery

5.1 Time and quantity are of the essence. Unless otherwise specified on the purchase order, delivery shall be at the NMA facility indicated on the purchase order, or as specified by the NMA facility where the delivery is to be made. Delivery terms may be modified from time to time.

5.2 Supplier shall take all measures necessary to meet the delivery date for the Supply and comply with all technical, administrative and shipping documents.

5.3 Supplier shall not be entitled to manufacture or deliver the Supply before the due date without NMAs written authorization, and will bear all costs related to any unauthorized advance delivery, including return shipping costs.

5.4 In the event of late delivery, all damages suffered by NMA and any transportation or other costs incurred by NMA to meet the specified delivery schedule will be paid by Supplier. Supplier will be responsible for any extraordinary cost incurred by NMA from its customer due to late delivery of the Supply by Supplier. NMA may apply late delivery penalties as specified in the purchase order.

In the event of late delivery, NMA may purchase the Supply from a third party immediately without notice. Any extra cost arising from this replacement order shall be borne by the defaulting Supplier.

5.5 Supplier will notify NMA immediately of any actual or potential labor dispute delaying or threatening to delay timely performance of the purchase order, and will provide NMA with all relevant information. Supplier will notify NMA six (6) months in advance of the expiration of any current labor contract(s). Prior to the expiration of any such labor contract, Supplier will store, at its expense, a minimum thirty (30) day inventory of finished Supply at a warehouse unaffected by the labor contract.

5.6 For deliveries where a written release is required, Supplier shall adhere to the NMA Production System Plan, a copy of which shall be made available to Supplier. Supplier shall harmonize its administrative and production systems to correspond to the requirements of the NMA Production System Plan. Supplier will acknowledge receipt of the NMA Production System Plan in writing.

5.7 The Supply shall be subject to inspection by NMA for a reasonable period, which shall in no event be less than thirty (30) days after receipt thereof by NMA, except that NMA may reject the goods and hold Supplier in default if, at any time after NMA has inspected the goods, NMA discovers a defect not normally discoverable by visual inspection or NMA or its customer discovers a defect upon integration of the Supply into production. Payment shall not constitute final acceptance of the Supply or waiver of NMAs right to inspect and reject the Supply.

6. Price, Invoicing and Conditions of Payment

6.1 All prices shall be as stated in the purchase order. Supplier shall be solely responsible for all transport and unloading costs, customs charges, taxes and insurance costs, unless otherwise specified on the purchase order.

6.2 The invoice shall include all information appearing on the purchase order necessary for identification and control of the Supply. The invoice shall be sent to the invoicing address written on the face of the purchase order.

6.3 No payment shall be made by NMA in advance of receipt of the Supply. Unless otherwise stated on the purchase order, the invoice shall be payable on the first Friday, sixty (60) days from the date of delivery of the Supply to NMA.

6.4 In addition to any right of setoff provided by law, NMA may automatically deduct from payments made to Supplier any and all sums due or to become due by Supplier for whatever reason.

6.5 Supplier may not assign any accounts receivable from NMA to third parties without NMA's prior written approval.

6.6 Supplier warrants that the prices for the Supply sold to NMA are no less favorable than those Supplier currently extends to any other customer for the same or similar Supply in similar quantities. If Supplier reduces its prices to third parties during the term of the purchase order for the Supply, Supplier will correspondingly reduce the prices charged to NMA. Supplier warrants that the prices on the purchase order are complete and that no other charges will be added without NMA's written consent.

6.7 All cash discounts shall be computed from the date of receipt by NMA of a final invoice or receipt of the Supply, whichever occurs later. Cash discounts shall be based on the full amount of invoice, less freight charges and taxes if itemized separately on the invoice.

7. Packaging and Delivery Documents

7.1 The Supply shall be packed in accordance with NMA purchasing and packaging specifications or purchase orders, and also in accordance with the norms and standards of common carriers in the United States, unless otherwise requested by NMA. NMA shall have the right at any time to change any purchase order as to specifications, delivery, packaging or means of shipment.

Supplier will provide all necessary Material Safety Data Sheets and ensure that all hazardous material fully meets federal, state and local shipping requirements. Supplier warrants that the Supply supplied under any purchase order does not contain any substance whose use is prohibited under Federal, State, or local law, including, but not limited to the Clean Air Act, the Toxic Substance Control Act, or the Federal Insecticide Fungicide and Rodenticide Act, and that any applicable requirements under these laws have been satisfied by Supplier.

Supplier shall be responsible for any damage to the Supply arising from packaging.

7.2 The exterior of each unit of packaging shall bear in a clearly conspicuous and legible manner the markings required under federal and state regulations in force in the United States, any special conditions for storage, the NMA purchase order number, a description of the Supply, the quantity delivered and the gross or net weight in accordance with AIAG standards.

7.3 Supplier shall attach to the shipment a bill of lading consisting of a detailed delivery order together with the information appearing on the purchase order necessary to identify the Supply and to facilitate quantitative control.

7.4 Delivery documents and Supplier invoicing must provide a clear description of the origin of all goods sufficient to permit NMA to so declare in any official document.

8. Acceptance of Supply

8.1 NMA may inspect the Supply during any stage of its manufacture, construction, preparation, delivery or completion. NMA and NMA's customers shall have the right to enter onto Supplier's premises at reasonable times to verify that the materials covered by a purchase order conform to all specified requirements and Supplier agrees to provide all supporting documentation requested by NMA or NMA's customers in the course of such investigation. At NMA's request, Supplier shall submit production and quality test reports and related data. Final acceptance shall not be conclusive with respect to latent defects or misrepresentations. Nothing in this agreement shall relieve Supplier from the obligation of testing, inspection and quality control.

8.2 NMA reserves the right to reject or revoke acceptance of a nonconforming Supply, which includes but is not limited to defects or defaults revealed by inspection, analysis or subsequent manufacturing operations even though such items previously may have been accepted; non compliance with the purchase order; or non compliance with the date and hours of delivery.

8.3 Notwithstanding payment or prior inspection, if any of the Supply and/or services are found to be defective in material or workmanship or otherwise not in conformity with the requirements of this agreement, in addition to any other remedies it may have, at its option, NMA may correct or have corrected the non conformance at Supplier's expense or reject and return the Supply and discontinue the services at Supplier's own risk and expense.

Alternatively, at NMA's instruction, Supplier shall retrieve the non Supply at its expense within eight (8) days of notification of rejection or revocation of acceptance. NMA will be permitted to dispose of the Supply upon Supplier's failure to retrieve the non Supply.

If defects or deficiencies in the equipment provided by Supplier are discovered by NMA prior to a successful runoff and final acceptance, NMA may exercise all of its rights under the Uniform Commercial Code and other relevant commercial statutes and shall be entitled to, among other remedies, a return of all sums paid to date under this contract.

Supplier shall be liable for all costs (including scrap, storage, sorting out, alterations, tool breaks, breakdowns, production stoppage, recall campaigns and administrative costs) incurred by NMA as a result of non quality of the Supply.

In the event of delivery of nonconforming Supply, NMA may terminate the purchase order pursuant to Article 13 below and/or purchase the Supply from a third party. Supplier shall be responsible for any additional cost incurred by NMA under this paragraph.

8.4 Supplier shall be responsible for the design and/or manufacture of the Supply to the extent designated in the purchase order or as agreed to in writing, regardless of any assistance provided by NMA throughout the development phase or approval by NMA during initial sample review.

8.5 If NMA or its customer recalls the Supply or a product incorporating the Supply, Supplier shall reimburse NMA, in proportion to Supplier's responsibility, for actual expenses borne by NMA.

9. Express Warranty.

With respect to the Supply or services purchased under this agreement and all other goods or services purchased from Supplier, Supplier expressly warrants for the Warranty Period as follows: (a) the Supply shall strictly conform to all specifications, drawings, instructions, advertisements, statements on containers or labels, descriptions and samples; (b) the Supply shall be free from defects in workmanship and material and shall be new and of the highest quality; (c) NMA shall receive title to the Supply that is free and clear of any liens, encumbrances and any actual or claimed patent, copyright or trademark infringement; (d) the Supply shall be merchantable, safe and fit for NMA's intended purposes, which purposes have been communicated to Supplier; (e) the Supply shall be adequately contained, packaged, marked and labeled; (f) all services performed by Supplier shall be performed in a competent, workmanlike manner and in strict accordance with industry standards; and (g) the Supply shall be manufactured in compliance with all applicable federal, state and local laws, regulations or orders, and agency or association standards or other standards applicable to the manufacture, labeling, transporting, licensing, approval or certification, including by way of illustration and not by way of limitation, the

Occupational Health and Safety Act, the Fair Labor Standards Act, the EEOC, and any law or order pertaining to discrimination. These warranties shall be in addition to all other warranties afforded to NMA by operation of law, by industry standards or by custom. These warranties shall survive inspection, test, delivery, acceptance, use and payment by NMA and shall inure to the benefit of NMA, its successors, assigns, customers and the end of NMA's products. These warranties may not be limited or disclaimed by Supplier. NMA's approval of Supplier's design, material, process, drawing, specifications or the like shall not be construed to relieve Supplier of strict compliance with the warranties set forth herein, nor shall a waiver by NMA of any drawing or specification request for one or more articles constitute a waiver of any such requirements for the remaining articles to be delivered hereunder unless so stated by NMA in writing. For purposes of this agreement, Warranty Period shall be the longer of the following time periods: (a) 24 months from the date of first use of the Supply by NMA or acceptance by NMA, whichever occurs later; or (b) if the Supply is incorporated, in whole or in part, into products sold by NMA by third parties, the latter of the following dates: (i) 18 months after acceptance by such third parties or (ii) the time period of warranty that such third parties give to their customers.

10. Risk of Loss

Risk of loss with respect to the Supply delivered shall not be transferred to NMA until actual receipt of the Supply by NMA at the address indicated on the purchase order.

11. Confidentiality

All information provided to Supplier by NMA under this purchase order and for the Supply not publicly available shall remain NMA's property and be considered confidential by Supplier. Supplier shall take all necessary measures to ensure that neither Supplier nor its employees, agents, suppliers or authorized subcontractors, communicate such confidential information to any third party without NMA's prior written consent and that the information is used only for the purpose submitted.

Any information Supplier discloses to NMA with respect to the design, manufacture, sale, or use of the items covered by this purchase order shall be deemed to have been disclosed as part of the consideration for this purchase order, and Supplier shall not assert any claim against NMA by reason of NMA's use of such information.

Without obtaining the prior written consent of NMA, Supplier shall not advertise or publish the fact that Supplier has contracted to furnish NMA goods or services, or use any trademarks or trade names of NMA in Supplier's advertising or promotional materials.

These confidentiality requirements shall be maintained for the duration of performance under the purchase order and for a period of five (5) years thereafter.

Immediately upon completion of performance of the purchase order, any termination of the purchase order or upon the request of NMA, Supplier agrees to return to NMA all information, including all copies thereof, confidential or otherwise, related to the purchase order.

In the event of Supplier's breach of this provision, NMA shall have the right, among all other remedies, to cancel the undelivered portion of any Supply or services covered by this purchase order and shall not be required to make further payments except for conforming Supply delivered or services rendered prior to cancellation.

12. Ownership

12.1 Notwithstanding Article 10 above, ownership of the Supply shall be transferred to NMA immediately upon its identification to the purchase order on the premises of Supplier. Supplier agrees to acknowledge and defend NMA's property interests at all times.

12.2 Supplier shall not impose nor permit to be imposed any lien, encumbrance or security interest or similar reservation of title on the Supply.

12.3 If NMA finances all or part of the raw materials or semi finished products to be procured by Supplier for incorporation into the Supply, the raw materials and semi products will become the property of NMA immediately upon payment. Supplier, as bailee, will identify the raw materials and semi finished products by plainly marking NMA ownership.

12.4 All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, ancillary products and other items (.Tools.) purchased by or furnished by NMA or by third on NMA's behalf to Supplier to perform this agreement, or for which Supplier has been reimbursed by NMA, shall be and remain the property of NMA and shall be neither withheld by Supplier nor pledged to any third party. Supplier shall provide NMA with equipment and tooling drawings, technical specifications, FMEAs and control plans for each component and for the purchase of capital equipment. Supplier shall bear the risk of loss of and damage to NMA's property. NMA's property (a) shall at all times be properly housed and maintained by Supplier, (b) shall not be used by Supplier for any purpose other than the performance of this agreement, (c) shall be deemed to be personal property, not a fixture, (d) shall be conspicuously identified as property of NMA with specific reference to NMA's identity and relevant part numbers, (e) shall not be commingled with other property of Supplier or with that of a third party, and (f) shall not be moved from Supplier's premises without NMA's prior written approval. Upon the request of NMA, such property immediately shall be released to NMA or delivered to NMA by Supplier, either (a) F.O.B. transport equipment at Supplier's plant, properly packed and marked in accordance with the requirements of the carrier selected by NMA to transport such property, or (b) to any location designated by NMA, in which event NMA shall pay Supplier the reasonable cost of delivering such property to such location. NMA shall have the right to enter onto Supplier's premises at all reasonable times to inspect such property and Supplier's records with respect to the property. Unless otherwise agreed in writing by NMA, Supplier at its own expense shall furnish, maintain, keep in good condition, and replace when necessary the Tools. Supplier shall insure the Tools with full fire and extended coverage insurance for replacement value. NMA does not guarantee the accuracy of any tooling or dies or the availability or suitability of any supplies or material furnished by NMA to Supplier. Supplier agrees carefully to check and approve all tooling, dies or materials supplied by NMA prior to use. Supplier shall assume all risk of death or injury to persons or damage to property arising from use of the Tools or other materials supplied by NMA.

12.5 If NMA deposits molds, tooling or machines with Supplier in connection with a subcontracting agreement:

the molds, tooling and machines shall remain the exclusive property of NMA, which may recover the molds, tooling and machines at any time; and,
the molds, tooling and machines shall be exclusively used for the performance of NMA orders; and,
Supplier shall be responsible for the preventive or curative maintenance necessary for the correct operation of the molds, tooling and machines; and,
except as otherwise agreed, Supplier shall be liable for all damages incurred in connection with the molds, tooling and machines as well as all damages arising from their use. Supplier shall insure the molds, tooling and machines for damage or loss (including theft) in an amount not less than replacement value and shall maintain general liability insurance regarding operation of the molds, tooling and machines in amounts and coverage reasonable in the circumstances and acceptable to NMA. Supplier shall also comply with the provisions listed in Article 16(C) regarding insurance.

13. Termination

A. NMA may terminate any purchase order for cause in the event of any default by Supplier. The following are causes of default, among others, allowing NMA to terminate: (i) late delivery, (ii) delivery of Supply that are defective or that do not conform to this agreement, or (iii) failure upon request to provide NMA with reasonable assurances of future performance. Additionally, NMA may forthwith cancel any purchase order in the event of any of the following: (i) insolvency of Supplier; (ii) filing of an involuntary or voluntary petition of bankruptcy against Supplier; (iii) execution by Supplier of an assignment for the benefit of creditors; or (iv) appointment of a receiver over Supplier's assets. In the event of termination for cause, NMA shall not be liable to Supplier for any amount, and Supplier shall be liable to NMA for all damages sustained by reason of the default which gave rise to the termination.

B. NMA reserves the right to terminate any purchase order for its sole convenience, without reason or cause. In the event of such termination, Supplier immediately shall stop all work, and shall forthwith cause all of its suppliers and subcontractors to cease work. Upon approval by NMA, Supplier shall be paid a reasonable termination charge consisting solely of a percentage of the order price reflecting the percentage of the work performed prior to the notice of termination. Within thirty (30) days after receipt of a termination notice, Supplier shall submit its claim. NMA reserves the right to verify the claim by auditing all relevant records. Supplier shall not be paid for any work performed after receipt of the notice of

termination, nor for any costs incurred by Supplier's suppliers or subcontractors which Supplier could reasonably have avoided. In no event shall NMA be liable for loss of profits or cancellation charges.

14. Applicable Law and Jurisdiction

These General Terms and Conditions of Purchase shall be governed by the laws of the State of Michigan without regard to rules pertaining to conflicts of law. The federal, state and local courts located in the State of Michigan shall have exclusive jurisdiction of any disputes relating to these General Terms and Conditions of Purchase. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to these General Terms and Conditions of Purchase nor any transaction pursuant hereto.

If any provision herein is or becomes invalid or unenforceable under any law of mandatory application, such provision will be deemed severed and omitted. The remaining provisions will remain in full force and effect as written.

No action or inaction taken pursuant to these General Terms and Conditions shall constitute a waiver of compliance with any covenants or agreements herein.

15. Changes.

NMA may at any time, by a written order, make changes in any one or more of the following: (i) drawings, designs or specifications, where the items to be furnished are to be specially manufactured for NMA in accordance therewith; (ii) method of shipment or packing; (iii) place or time of inspection, delivery or acceptance; and (iv) the amount of any NMA furnished property. If any such change causes an increase or decrease in the cost of or time required for performance of this purchase order, an equitable adjustment shall be made in the price or delivery schedule or both. No claim by Supplier for adjustment hereunder shall be allowed unless made in writing within thirty (30) days from the date notice of any such change is received by Supplier. Where the cost of property rendered obsolete or excess as the result of a change is included in Suppliers claim for adjustment, NMA will have the right to take title thereto and prescribe the manner of disposition thereof. Nothing in this clause shall excuse Supplier from proceeding with performance of a purchase order as changed. Price increases or extension of time for delivery shall not be binding on NMA unless evidenced by a Purchase Order Change Notice issued and signed by NMA.

16. Indemnification and Insurance.

A. To the fullest extent permitted by law, Supplier agrees to indemnify, save harmless and defend NMA and its affiliated companies, their directors, officers, employees, agents and customers ("Indemnitees") from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including without limitation all judgments rendered against, and all fines and penalties imposed upon, Indemnitees and all attorney's fees and any other cost of litigation ("Liabilities") arising out of a breach of this agreement, warranty claims, product recall claims, product liability claims, injuries to persons, including death, or damage to property caused by any act or omission of Supplier, its employees, agents, subcontractors, or in any way attributable to the performance of Supplier, including without limitation, breach of contract, breach of warranty or product liability, or any failure of Supplier to comply with any applicable governmental laws, regulations, or standards; provided, however, that Supplier's obligation to indemnify NMA shall not apply to any liabilities arising from NMA's sole negligence.

If Supplier or a third party asserts a claim against NMA for an alleged infringement of intellectual or industrial property rights, NMA may immediately terminate all purchase orders in progress by written notice, without prejudice to NMA's rights or any legal action NMA may take against Supplier.

B. Supplier agrees to indemnify, save harmless and defend Indemnitees from and against all Liabilities arising out of actual or alleged infringement, including infringement or wrongful use of any patent, trademark, copyright, trade secret or other intellectual property right of any third party relative to the Supply or by reason of the sale or use of any items, including software and data, furnished hereunder except those items for which NMA furnished complete specifications. If the use or sale of any item with respect to which Supplier indemnifies NMA is enjoined as a result of such action or proceeding, Supplier, at no expense to NMA, shall obtain for NMA and its customers, the right to use and sell said items or shall substitute an equivalent item acceptable to NMA, and sell said item or shall substitute an equivalent item acceptable to NMA, shall reimburse NMA for any costs associated with the substitution of such equivalent item for said item, and extend this patent, trademark and copyright indemnity with respect to such equivalent item. In the event that Supplier is unable to secure such right of use for NMA or its customers

or to secure an equivalent item as a substitute, Supplier will indemnify NMA and its customers for any and all losses or damages sustained by reason of such injunction.

C. Supplier shall maintain insurance coverage in amounts not less than the following: (a) Worker's Compensation Statutory Limits for the state or states in which this agreement is to be performed (or evidence of authority to self \$1,000,000 for Bodily Injury by Accident per Accident, \$1,000,000 for Bodily Injury by Disease per policy limit, and \$1,000,000 for Bodily Injury by Disease, per employee; (c) Comprehensive General Liability (including Products/Completed Operations and Blanket Contractual Liability) \$1,000,000 combined bodily injury and property damage per occurrence; (d) Automobile Liability (including owned, non and hired vehicles) \$1,000,000 combined bodily injury/property damage per occurrence; and (e) Commercial Umbrella limits in the amount of \$5,000,000 per occurrence and \$10,000,000 annual aggregate. At NMA's request, Supplier shall furnish certificates of insurance setting forth the amounts of coverage, policy numbers and dates of expiration for insurance maintained by Supplier which shall name NIDEC MOTORS & ACTUATORS (USA), Inc., (and its parent and subsidiaries) as an additional insured. Such certificates shall provide that NMA will receive thirty (30) days prior written notification from the insurer of any termination or reduction in the amount or scope of coverage. Suppliers insurance carrier shall be rated a minimum of .A- or better under the AM Best rating. Suppliers insurance shall be primary and must offer a blanket waiver of subrogation endorsement.

Supplier's purchase of insurance coverage and the furnishing of certificates of insurance shall not release Supplier of its obligations or liabilities under this agreement. In the event of Supplier's breach of this provision, NMA shall have the right to cancel the undelivered portion of any Supply or services covered by this agreement and shall not be required to make further payments except for conforming Supply delivered or services rendered prior to cancellation.

17. Ingredients Disclosure.

If requested by NMA, Supplier shall promptly furnish to NMA in such form and detail as NMA may direct: (a) a list of all ingredients in the Supply purchased; (b) the amount of one or more ingredients; and (c) information concerning any changes in or additions to such ingredients. Prior to and with the shipment of the Supply purchased, Supplier agrees to furnish to NMA sufficient warning and notice in writing (including appropriate packaging and labels on Supply, containers, packing and vehicles used for shipment) of any "hazardous substance" which is an ingredient or a part of any of the Supply, together with such special handling instructions as may be necessary to advise NMA and third parties, including transportation carriers and NMA's employees, as to the degree of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use, recycling or disposal of the Supply.

18. Work on Premises.

If Suppliers work under this purchase order involves operations by Supplier on the premises of NMA or one of its customers, Supplier shall take all necessary precautions to prevent injury to any person or property during the progress of such work Supplier shall maintain such public liability, property damage and employees liability and compensation insurance as will protect NMA from said risk and from any claims under applicable workers compensation and occupational disease acts, in addition to the insurance provisions as set forth in Article 16(C). Supplier agrees that, in performing this order, Suppliers performance will be consistent and in accordance with current labor agreements between NMA and any union organization with which NMA may have a collective bargaining agreement. Supplier agrees to indemnify and hold NMA harmless in the event such performance breaches or is in violation of such labor agreement.

19. Product Support.

Supplier warrants that items of the type purchased under this purchase order, including the sub and spare parts, shall be made available by Supplier to NMA and its customers during the operational life of the items purchased or for ten (10) years after the date of final shipment under this purchase order, whichever is later. During said period, Supplier shall continue to provide technical support and service at the same level as presently provided. In the event Supplier discontinues manufacture of the aforementioned items, subor spare parts therefore or does not provide any of them in a timely manner for NMAs requirements, Supplier shall make available to NMA all drawings, specifications, data and know which will enable and facilitate NMA, its suppliers or its customers to manufacture or procure and use and sell said items, subassemblies and spare parts under a royalty license which is hereby granted.

20. Miscellaneous Provisions.

A. **Assignment.** This purchase order is entered into in reliance upon Supplier's personal performance of the duties imposed. Supplier agrees not to, in whole or in part, assign this purchase order or delegate the performance of its duties without the written consent of NMA. Any such assignment or delegation without the previous written consent of NMA, at the option of NMA, shall effect a cancellation of the purchase order. Any consent by NMA to an assignment shall not be deemed to waive NMA's right to recoupment from Supplier and/or its assigns for any claim arising out of this purchase order. If NMA agrees to the assignment of the purchase order, in whole or in part, Supplier shall remain solely liable to NMA for the adherence of the assignee to these General Terms and Conditions.

B. **Force Majeure.** Any delay or failure of either party to perform its obligations shall be excused if caused by an extraordinary event or occurrence beyond the control of the nonperforming party and without the nonperforming party's fault or negligence, such as acts of God, fires, floods, windstorms, explosions, riots, natural disasters, wars and sabotage. Written notice of such delay, including the anticipated duration of the delay, must be given by the nonperforming party within ten (10) days of the event. During the period of any delay or failure to perform by Supplier, NMA, at its option, may purchase Supply from other sources and reduce its schedules to Supplier by such quantities, without liability to NMA, or cause Supplier to procure the Supply from other sources in quantities and at times requested by NMA and at the price set forth in this agreement. If requested by NMA, Supplier shall, within five (5) days of such request, provide adequate assurance that the delay will not exceed such period of time as NMA deems appropriate. If the delay lasts more than the time period specified by NMA, or Supplier does not provide adequate assurance that the delay will cease within such time period, NMA may, among its other remedies, immediately cancel this agreement and seek damages against Supplier for its non respect of the delay.

C. **Duty Drawback Rights.** This purchase order includes all related customs duty and import drawback rights, if any, which Supplier can transfer to NMA, including rights developed by substitution and rights which may be acquired from Supplier's suppliers. Supplier agrees to inform NMA of the existence of any such rights and upon request shall supply such documents as may be required to obtain such drawback.

D. **Limitation on NMA's Liability.** In no event shall NMA be liable to Supplier for anticipated profits or for incidental or consequential damages. NMA's liability for a claim of any kind or for any loss or damage arising out of or in connection with or resulting from this purchase order, or from any performance or breach, shall in no case exceed the price allocable to the Supply or services or unit which directly gives rise to the claim.

E. **Inventions.** If a purchase order involves developmental or research activities, including engineering or design services, all information developed in the course thereof shall be owned by NMA and be deemed confidential and proprietary property of NMA, whether patented or not, and Supplier shall cooperate (and cause its employees to cooperate) in executing any documents and taking any other actions necessary or convenient to patent or otherwise perfect or protect for the benefit of NMA any inventions conceived, developed or reduced to practice in performance of this agreement. If a purchase order does not involve developmental or research activities, but the Supply covered by it are to be produced in accordance with drawings or specifications furnished by NMA, Supplier hereby grants to NMA an irrevocable, non and royalty free license to make, have made, use and sell any improvement in the Supply which is conceived, developed or reduced to practice by Supplier in the production of the Supply under this agreement. Any software development purchased by NMA shall include the full supply by Supplier of source code and proper documentation, and the grant by Supplier of full intellectual property and unlimited license of use of final product and attached documentation to NMA.

F. **Relationship of Parties.** Supplier and NMA are independent contracting parties and nothing in this agreement shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.