

General Procurement Terms of NIDEC GPM GmbH

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For exclusive use with companies who on conclusion act in a commercial or freelance capacity.

1 General

The legal relationships between Nidec GPM GmbH (hereinafter referred to as NGPM or the client) and the supplier (hereinafter referred to as the contractor) depend on these general procurement terms.

The GPT apply to all deliveries and services ordered by NGPM if nothing to the contrary has been contractually agreed in the individual contract in writing between NGPM and the contractor. On acceptance of the order / order confirmation these GPTs become part of the contract. This also applies to the provisions for export control and the international trade data which are also declared to be a binding part of the contract. These provisions are stored and can be read on the NGPM website under http://www.nidec-gpm.com/pdf_download.html

Other general terms and conditions do not apply even if they are not explicitly opposed in the individual case. This also applies to the supplier's delivery conditions provided in the quotation or order confirmation. Payments or the acceptance of services by us do not mean the recognition of any of the contractor's sales and/or delivery terms. Conditions with different content only apply if these have been explicitly approved in writing.

2 Conclusion of and changes to the contract

- 2.1 Orders, agreements, delivery contracts and delivery call-offs as well as changes to them and supplements and subsidiary agreements of all kinds must be in written form to be effective. If permissible by law, this does not affect individual agreements. Orders and delivery call offs may take place using remote data transmission, fax or email. (Electronic system)
- 2.2 Quotations are binding and must be submitted without charge. The contractor's quotation must maintain the quantity, characteristics and design in the enquiry or comply with the client's tender and if variances occur must explicitly make reference to these.
- 2.3 NGPM may request changes to the delivery item in terms of design and execution at any time. The contractor is obliged to undertake such changes without delay. If as a result of the change, the delivery contract must be modified, in particular with regard to the delivery deadline or additional or lower costs are required, the contractual parties will regulate this appropriately and by mutual agreement.

- 2.4 If the contractor does not accept the order within 2 weeks, NGPM is permitted to revoke it. Delivery call offs are binding at the latest if they are not opposed by the contractor within 2 weeks of receipt.
- 2.5 For call offs only our delivery call offs are binding orders.
- 2.6 The latest versions of the quality assurance agreement (QAA), container and packaging guidelines and the Nidec Group CSR Charter can viewed at http://www.nidec-gpm.com//pdf_download.html and are a component of this contract. The contractor applies the Nidec Group CSR Charter mutatis mutandis in its company. There is the obligation on the contractor to obtain regular information on the status of the QAA and the client's container and packaging regulations. On request the contractor may receive the conditions for service provision. A notification duty does not exist for the client either in principle or in particular after revising the conditions.
- 2.7 During the contractual term the contracting parties will show potential savings by way of regular value analyses. If potential savings can be made the contracting parties may undertake appropriate price changes.
- 2.8 The basis for the delivery contracts is that the contractor remains competitive in terms of prices, quality, innovative ability and secure supply.

3 Delivery deadlines and periods

- 3.1 The deadlines and periods stated in the orders are binding and are understood as applying at the ordering party's delivery location. Deliveries and services are only considered to have been provided in full and on time if they have the agreed and assured characteristics and qualities and when the associated documentation has been provided. If deadlines are not complied with, the contractor is in default without this requiring a reminder by the client. The contractor is obliged to reimburse NGPM for damages caused by default if the statutory requirements are met. The acceptance of delayed deliveries and services does not represent a waiver of claims for damages. Deliveries without proper dispatch papers may be rejected by NGPM.
- 3.2 If the contractor becomes aware of circumstances that could delay the delivery and service he must notify NGPM of this immediately and state the reasons and expected duration. If there are significant delays the client is also entitled to withdraw in part or in full from the contract if it is no longer reasonable for NGPM to comply with its acceptance obligation after the end of the appropriate period set by the contractor or there is no longer an interest in the delivery/service.

4 Force majeure

Force majeure, e.g. natural disasters of all kinds, including bad weather, earthquakes, floods, fire, traffic accidents, terrorism, sabotage and employment disputes, political unrest and/or official action release the contractual partners from the obligation to perform for the duration of the fault and the scope of its effects. This also applies if

these events occur at a time when the affected contracting party is in default. In this case the contractor and client are obliged to provide the necessary information without delay as far as is reasonable and modify their obligations to the circumstances in good faith.

5 Invoicing, payment, assignment

5.1 The invoice must comply with the relevant statutory provisions, in particular it must contain the invoice number, valued-added tax or tax number, date of delivery or service, quantity and type of goods invoiced, order, item and picking number and must be provided to NGPM after delivery in duplicate. In addition, the supplier number, delivery note number, order number and date (or those of the procurement agreement and delivery call off) and other additional data and assignment characteristics of the client must be stated in the invoice.

5.2 If no other individual agreement is made, the payment of properly produced invoices takes place either

- within 14 days less a 2 % discount or on the 25th day of the month following delivery
- 60 days without deduction

after receipt of both the invoice and the goods or approval of the service.

5.3 Payment will be made by bank transfer or cheque.

5.4 Only perfect delivery as per the order obliges payment. Partial or excess deliveries are only permissible with the agreement of the client.

5.5 In the event of defective delivery the client is entitled to retain payment for the relevant value until proper fulfilment.

5.6 On acceptance of early deliveries, payment is due as per the agreed delivery deadline.

5.7 The client is entitled to retain payments if claims against the contractor exist from other legal transactions or for other reasons.

5.8 The contractor is not entitled without prior written agreement, which may not be refused without good reason, to assign his claims against the client or permit others to collect them. If the contractor assigns his claims against the client in contrast to Sentence 1 without agreement, the assignment is however effective. But the client may choose to make fulfilment with a releasing effect to the contractor or the third-party.

6 Pricing and transfer of risk

If no special agreement is reached, the prices are understood as ex works (DDP as per Incoterms 2010) including packaging. This does not include value-added tax. The

contractor bears the material risk until acceptance of the goods by the contractor or his appointee at the location where the goods are to be properly delivered.

7 Packaging

- 7.1 The type and scope of the packaging must be agreed between the contractor and client.
- 7.2 If no special agreements are made, the packaging is undertaken according to the client's container and packaging guidelines.
- 7.3 The product packaging must comply with the applicable statutory requirements. It must be suitable for transport to the client or a recipient named by us and for usual storage.

8 Quality and documentation

- 8.1 For its deliveries the contractor must comply with the recognised technical rules, the safety regulations and the agreed technical data.

Changes to the item being delivered require the prior written agreement of the client. Reference is made for the initial sample check to the valid version of the VDA document "Ensuring the quality of deliveries - supplier selection/production processes - and product approval/series quality service". We accept deliveries and services only in the contractually agreed quality. The agreement of particular quality characteristics, features or standards is considered to be the agreement of assured characteristics. If a different quality is delivered or the assured characteristics are not complied with, no matter whether the defect is noticed during acceptance and quality control, NGPM is permitted to withdraw from the contract and request damages for non-fulfilment. If reasonable we will give the contractor an opportunity for subsequent improvement or re-delivery. Notwithstanding, the contractor must check the quality of the items delivered on an on-going basis. The contractual partners will inform each other about the options for mutually improving quality.

- 8.2 If the type and scope of tests and testing equipment and methods have not been firmly agreed between the contractor and client, NGPM is entitled to discuss the tests with them in order to determine the necessary level of testing technology. Such a test does not release the contractor from its contractual obligations.
- 8.3 The contractor must also stipulate in the quality records for all products when, how and by whom defect-free manufacture of the deliveries is assured. These documents must be stored for 15 years and presented to the client on request. Advance suppliers must be obliged by the contractor to the same extent as permitted by the statutory regulations.

9 Liability for faults

- 9.1 The contractor ensures that his deliveries/services do not have defects, have the agreed or assured characteristics, comply with the applicable regulations and are provided at the latest state of technology.
- 9.2 On delivery of defective goods NGPM may request the following under the requirements stated below:
- a) Before starting production (processing or installation) NGPM must first give the contractor the opportunity to sort out and resolve the defects or provide replacement delivery unless this is unreasonable for NGPM. If this is unreasonable for NGPM, e.g. with regard to defect-free production or to reduce the damage, NGPM may undertake defect resolution themselves. The contractor shall bear the costs incurred. NGPM will inform the contractor appropriately about the defect resolution.
- If the contractor cannot resolve the defects or if he does not comply with this obligation without delay, NGPM can to this extent withdraw from the contract without setting an additional period and return the goods to the contractor at their risk and expense.
- If the goods are delivered repeatedly with defects, NGPM is permitted to withdraw after a written request for another defect-free delivery, including for the scope of delivery not yet fulfilled.
- b) If the defect is discovered only after production has started, NGPM may request subsequent performance and reimbursement of the costs incurred for the purposes of subsequent performance, in particular the transport and shipping costs, work costs (e.g. inspection, sorting, removal and assembly costs) and material costs or reduce the purchase price. The costs and expenses stated in Section 9.2 must also be reimbursed if incurred without it being necessary to exchange the defective parts for subsequent performance (e.g. importing defect-free or new software).
- 9.3 If the parts to be replaced do not flow into the findings or are not provided to the contractor for technical analysis or revision, NGPM is entitled to scrap them. If the contractor requests issue before scrapping NGPM will provide the parts if possible at the contractor's expense.
- 9.4 Claims from defect liability lapse, if nothing further has been agreed in writing, at the end of 24 months after the vehicle is first registered or the spare parts are installed, at the latest however 30 months after delivery to the client. For commercial vehicle goods the warranty regulation stated above applies accordingly if nothing further is agreed in the individual agreement.
- 9.5 Claims for defects are not created if the error is due to the infringement of operating, maintenance and installation regulations, unsuitable and improper use, defective

and/or negligent treatment or natural wear and tear and intervention undertaken by NGPM or third-parties on the item delivered.

- 9.6 Other statutory or contractual rights of NGPM are unaffected by the provisions of this Section 9. This applies in particular to claims from the Product Liability Act, tort, conducting business without orders etc.

10 Liability

- 10.1 If claims are made against NGPM on the basis of liability independent of responsibility to third-parties due to non-mandatory law, the contractor replaces NGPM to the extent to which it would be directly liable. The principles in Section 254 of the German Civil Code (BGB) apply accordingly to the balancing of damages between NGPM and the contractor. This also applies in the event of a direct claim on the contractor.
- 10.2 The replacement obligation is excluded if NGPM for its part is restricted in its liability to its customers.
- 10.3 Claims by NGPM are excluded to the extent to which the claims are due to infringements of operating, maintenance and installation regulations, unsuitable or improper use, defective and/or negligent treatment, natural wear or defective repairs assigned to NGPM.
- 10.4 For measures undertaken by NGPM to reduce damage (e.g. recalls, customer service measures or other field measures) the contractor is liable if this measure is based on the lack of defects in the goods provided by the contractor or another duty infringement by the contractor.
- 10.5 NGPM will inform and consult the contractor appropriately for liability cases. NGPM must give the contractor the opportunity to investigate the claim.
- 10.6 Other statutory or contractual rights of NGPM in particular those arising from the Product Liability Act, tort or conducting business without orders are unaffected by the provisions of this Section 10.

11 Property rights

- 11.1 The contractor is liable for claims arising from the contractual use of the items delivered due to the infringement of industrial property rights and the registration of such (intellectual property) of which at least one of the intellectual property right family is published either in the contractor's home nation, by the European Patent Office or in the Federal Republic of Germany, France, Great Britain, Austria or the US.
- 11.2 The contractor will indemnify NGPM and its customers for all claims from the use of such rights.

- 11.3 This does not apply if the contractor has produced the items delivered according to drawings, models provided by NGPM or other equivalent descriptions or information provided by NGPM and does not know or should not have known in connection with the products developed by it that these infringe intellectual property rights.
- 11.4 If the contractor is not liable under Section 11.3 NGPM will indemnify it for all claims by third parties.
- 11.5 The contractual partners are obliged to inform each other without delay of risks of infringements of which they become aware and apparent infringement cases and to support each other in defending against potential claims without charge in an appropriate manner (e.g. by investigation, analysis and document assessment).
- 11.6 The contractor will on request by NGPM provide information on the use of published and unpublished own and licensed property rights and registrations of such relating to the item delivered.

12 Use of production resources and confidential information by NGPM

- 12.1 The models, matrices, templates, samples, dies, tools, devices, other production resources and materials provided to the contractor by NGPM remain our property or are transferred to the ownership of NGPM if they are produced at our request. The contractor is obliged to neither make these available to third parties nor to use them directly for deliveries to third parties.

These items are to be stored for NGPM free of charge. NGPM may at any time request that these items are handed over. There must be insurance against fire, theft and force majeure.

- 12.2 Models, dies, moulds etc. provided by NGPM are to be checked by the contractor to ensure they comply with the forging, casting and technical production requirements. Complaints must be notified to NGPM without delay. It is not permitted to later rely on defective characteristics.
- 12.3 Plans, samples, templates, drawings, design data, data records and other information that the contractor receives from NGPM must be treated with the necessary care and confidentiality. They may not be made available to third parties nor may information be provided about them.

The contractor is liable for claims for damages arising from an infringement against these confidentiality and secrecy clauses. The documents provided are to be treated according to the instructions from NGPM and on request by NGPM or when no longer required, returned to NGPM including all copies. There is no retention right.

13 Advertising

Advertising by the contractor that refers to NGPM or the business relationships with NGPM in writing or images is only permitted with prior written agreement.

14 Transfer of risk and ownership

The risk and ownership are transferred to NGPM on receipt of the goods at the NGPM Merbelsrod reception centre. If ex works delivery has not been agreed the transfer of risk and ownership takes place at the reception centre at the destination agreed by Incoterms 2010 or in the individual contractual agreement. The contractor is responsible for ensuring that no retention of title or rights of third parties exist to the ordered goods.

15 Insurance

The contractor is obliged to ensure appropriate insurance protection with regard to his obligations. On request he must provide evidence for the insurance protection to NGPM.

16 End of contract

16.1 Each contracting partner may terminate the contractual relationship without complying with a notice period for just cause. Just cause shall include in particular if insolvency proceedings are started for the assets of the other contractual partner, an appropriate application was made even if it was rejected due to a lack of assets, if the reasons for starting the insolvency or similar proceedings for the assets of the other contractual partner exist or compulsory collections proceedings were started against the complete assets of the other contractual partner or a significant part of these assets.

16.2 In the event of the end of the delivery agreement NGPM is entitled to pass on all information from the terminated delivery relationship required by third parties to cover the requirements of production stated in this delivery contract so that NGPM can pass this on to them to the extent to which the relevant information is not protected by industrial property rights. Provisions made on handling development results are unaffected by this and are effective even after the end of the delivery agreement.

17 General provisions, compliance

17.1 When determining the level of the damage claims to be fulfilled by the contractor under Sections 3, 9, 10 and 11, the economic situation of the contractor, type, scope and duration of the business relationship, any contributions to the cause and/or responsibility by NGPM are to be considered as per Section 254 German Civil Code (BGB) and a particularly unfavourable installation situation of the delivered part whilst considering the circumstances in the individual case must be taken into account.

- 17.2 If the contractor stops payment or insolvency proceedings are started for its assets, NGPM is entitled to withdraw from the unfulfilled part of the contract.
- 17.3 If a provision in these conditions and the other agreements made is or becomes ineffective this does not affect the validity of the rest of the contract. The contractual partners are obliged to replace the ineffective provision with a provision that comes as close as possible to its economic intention.
- 17.4 The place of fulfilment for all services and deliveries is the reception centre stated in the order. The place of fulfilment in other cases is Auengrund/ OT Merbelsrod.
- 17.5 The place of jurisdiction for all disputes arising from and associated with this contractual relationship is the general place of jurisdiction for NGPM.
This Agreement shall be governed by German law upon the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).
- 17.6 This translation of the German version of the AEB serves for reference purposes only. In case of any discrepancies between the German version of the AEB and this translation the German version shall prevail.