

## TERMS AND CONDITIONS

1. **ACCEPTANCE:** Any order for the purchase of products from Nidec Motor Corporation d/b/a Nidec Industrial Solutions (the "Company") shall be subject only to the terms and conditions set forth herein and to approval and acceptance by Company. Neither the acceptance of any deposit made with an order nor the cashing of any check or other instrument by the Company shall be deemed to be an acceptance by Company, but if the order is not accepted, the Company will promptly refund such deposit. There are no understandings or agreements other than as set forth herein and on the face hereof, and no additions, deletions or modifications of these terms or any matter set forth on the face hereof proposed by the buyer named on the face hereof ("Buyer") in its printed forms or otherwise shall bind Company unless accepted by Company in writing, regardless of whether such other terms would materially alter the terms hereof. Administrative errors are subject to correction.
2. **PRICES:** Prices are Ex Works Company's plant (Incoterms® 2010) and exclusive of any applicable sales, use, transfer, excise or other taxes, tariffs or custom duties. Buyer will pay directly or be charged by Company for any such taxes, tariffs or custom duties levied upon the sale, transfer, import or use of the products sold hereunder unless the Buyer shall provide the Company with a tax-exemption certificate acceptable to the taxing authorities.
3. **TERMS:** Unless otherwise expressly agreed in writing, all payments shall be made in United States currency. The Company reserves the right to submit invoices on and require payment for partial shipments. Payment shall not prejudice claims on account of omissions or shortages in shipment, but no such claim will be allowed unless made within 30 days after receipt of the applicable shipment by Buyer. Terms are net 30 days after shipment from the Company's plant, subject to approved credit. If shipments are delayed by the Buyer, payments shall become due on the date when the Company is prepared to make shipment. If the work to be performed hereunder is delayed by Buyer, payment shall be made based on the percentage of completion at time of delay. Equipment held for the Buyer shall be at the risk and expense of the Buyer. Amounts past due are subject to a service charge of 1.5% per month or fraction thereof.
4. **DELIVERY AND FORCE MAJEURE:** Shipping dates are approximate only, and Company is not responsible for delays or any other non-performance resulting from (a) delays in receipt of final specifications or instructions from Buyer, (b) changes in specifications, (c) force majeure, including, without limitation, strikes, labor disturbances, material shortages, non-performance by subcontractors or suppliers, or other abnormal manufacturing conditions, delays or failures of carriers or communications, fire, flood, storms, accident, riot, war and invasion, governmental requisitions or priorities, acts of God, or other cases beyond Company's reasonable control. In the event of any such occurrence or contingency the Company may extend delivery schedules or may at its option, cancel the order in whole or in part without liability other than to return any deposit or prepayment in the event that the whole order be cancelled. IN NO EVENT SHALL COMPANY BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF A DELAY OR FAILURE TO PERFORM.
5. **CANCELLATION:** Orders are not subject to cancellation or modification, in whole or in part, after Company's acceptance, except with Company's express written consent, and upon payment of a cancellation or modification charge which will cover all costs incurred by Company to the time of cancellation or modification. If Buyer cancels the order without Company's express written consent, the Buyer agrees to pay all costs incurred by Company and to compensate Company for any loss of profits that it may suffer. Customized material procured by Company to fill Buyer's order will be sent to Buyer upon payment of cancellation charges.
6. **WARRANTY AND DISCLAIMERS:** Company warrants that its products will be free from defects in material or workmanship for a period of one (1) year from date of shipment from our plant unless otherwise stipulated in Form 713 or the product instruction sheet. NO OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE IS MADE FOR THESE PRODUCTS, AND ALL OTHER WARRANTIES ARE HEREBY EXPRESSLY EXCLUDED. In the event of a defect, the Company's obligation shall be limited to the supply of replacement parts free of charge, Ex-works Company's plant in Independence, Ohio or making repairs on defective parts, whichever in its discretion it deems the more prudent. The Company's obligation shall be conditioned upon Buyer giving the Company written notice of a defect within ten days after the discovery thereof. If defective parts are returned to the Company by the Buyer, transportation charges shall be prepaid by the Buyer. The Company reserves the right to determine the location and the personnel necessary to effect any corrective action during the warranty period. If, at the discretion of the Company and with the Buyer's approval, the corrective action can be performed expeditiously and more economically with the Buyer's personnel at the Buyer's plant, the cost of the repair will be limited to direct labor charges. COMPANY SHALL HAVE NO OTHER LIABILITY, DIRECT OR INDIRECT, OF ANY KIND, INCLUDING LIABILITY FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES. Refer to Company Form #713 "Warranty", for complete details.
7. **LIMITATION OF ACTIONS:** Any action for a breach of contract arising out of Company's acceptance of Buyer's order or products supplied must be initiated, and advised to company, within one (1) year after the cause of action has accrued.
8. **PATENT INFRINGEMENT:** The Company warrants that the products to be supplied hereunder (except products made by the Company to drawings or specifications of the Buyer) will not in themselves infringe any United States patent, but the Company assumes no obligation in regard to patent infringement resulting from the use of products in combination with any products not furnished by the Company. Liability under this warranty is limited to the aggregate amount (exclusive of taxes and transportation) to be paid hereunder and is conditioned upon the Buyer giving the Company prompt written notice of any claim of patent infringement and granting the Company exclusive control of its settlement and/or litigation.
9. **RISK OF LOSS:** Unless otherwise agreed to in writing by the Company, the risk of loss of or damage to any product shall pass to the Buyer upon delivery of the product to the carrier for shipment to the Buyer. The Company will obtain a clear receipt from the carrier and all claims for damages or shortages in shipment must be made against the carrier by the Buyer. A copy of the carrier's inspection report shall be forwarded to the Company.
10. **GOVERNING LAW; REMEDIES:** The rights and obligations of the parties hereto and the construction and effect of any contract formed pursuant hereto shall be governed by the laws of the State of Ohio. If the Buyer fails to fulfill the terms of payment of any invoice or if the financial or business condition or responsibility of the Buyer shall become impaired or unsatisfactory to the Company, the Company reserves the right to withhold delivery of all or part of the products subject hereto, without prejudice to any other legal or equitable remedy, until past due payments are made and satisfactory assurance of payment is received. Company shall, in addition to the rights and remedies herein set forth be entitled to all rights and remedies provided for in the Uniform Commercial Code and other applicable law as from time to time amended, and at equity. The captions for these conditions are for convenience only and shall not define or limit any of the terms and conditions hereof.
11. **INDEMNIFICATION:** Buyer shall comply with and require its agents and employees to comply with all directions, safety notices, warnings and other instructions furnished by Company, and shall use and require its agents and employees to use reasonable care in the use of the products. If Buyer fails to observe the provisions of this section, or if any injury or damage is caused, in whole or in part, by Buyer's failure to comply with applicable federal, state or local safety requirements, Company shall have no obligation to Buyer or any other person in respect thereof, and Buyer shall indemnify and hold Company harmless against any claims, loss or expense for injury or damage arising directly or indirectly from any such failure. Company specifically disclaims any and all liability arising out of the use of the products supplied hereunder other than the warranty liabilities to the original Buyer.
12. **APPROVAL DRAWINGS:** When approval drawings are required and such approval is not received by Company within 60 days after their submittal, the Company reserves the right to increase its selling price a maximum of 10% to cover any anticipated manufacturing cost increases.

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