

TERMS AND CONDITIONS OF SALE

1. Acceptance

This document constitutes an offer or counteroffer (an “Offer”) by Mabuchi Motor America Corp. or its subsidiary or affiliate (“Seller”) to sell the goods and/or services described herein (the “Goods”) to Buyer (“Buyer”), subject to and in accordance with these terms and conditions and attachments to this document (the “Terms and Conditions”). This document is not an acceptance of any offer or counteroffer made or purchase order submitted by Buyer, and this Offer and any contract arising out of this Offer (collectively, the “Contract”) are each expressly conditioned upon Buyer’s assent to all of the Terms and Conditions. Seller’s acceptance of any order is subject to Buyer’s assent to all of the Terms and Conditions set forth herein, and Buyer’s assent to these Terms and Conditions shall be confirmed by Buyer’s acceptance of all or any part of the Goods ordered.

Buyer acknowledges agreement with these Terms and Conditions by placement of an order to purchase the Goods from Seller or its acceptance of all or any part of the Goods called for in a purchase order. Seller objects to any additional or different terms or conditions contained in any request for quotation, request for proposal, purchase order or other document or communication previously or hereafter provided by Buyer to Seller.

If a purchase order or other correspondence contains terms or conditions contrary to the terms and conditions contained in Seller’s acknowledgement, Seller’s acceptance of any order shall not be construed as assent to any additional terms and conditions, nor will that constitute a waiver by Seller of any of the Terms and Conditions nor an acceptance of any such additional provisions. No such additional or different terms or conditions will be of any force or effect, unless specifically agreed to by an executive officer of Seller in writing.

2. Modifications

The Contract constitutes the entire understanding between the parties with respect to the subject matter of the contract and supersedes any prior discussions, negotiations, agreements and understandings. Modifications to the Contract shall only be valid in writing and upon signature by an authorized representative of each party.

3. Delivery and Terms of Sale

Unless otherwise agreed, Seller shall utilize Seller’s standard packing and labeling and ship in full pallet quantities. Unless otherwise agreed between Seller and Buyer, delivery of the Goods shall be made on the basis of FCA (Free Carrier) according to Incoterms 2020 at the point or facility designated by Seller (“Delivery Point”). Duty, Taxes and Customs Clearance fees are Buyer’s responsibility. Buyer orders and/or delivery schedules need to be issued such period as Seller instructs (“Order Lead Time”) in advance of the desired delivery date, and are non-cancellable, irrevocable purchase obligations. Order Lead Time is no less than 16 weeks.

Air freight or alternative inland handling for rush shipments may be available upon Buyer request and at Buyer’s sole expense. Buyer shall be responsible for all transportation arrangements and costs from Delivery Point to Buyer’s destination. Buyer is obligated to fulfill pick-up, delivery and purchase of the Goods no later than thirty (30) days from the delivery date initially requested in Buyer’s order schedule for the Goods. Seller shall not be liable for any delay in delivery that is not solely due to Seller’s willful or negligent actions.

Seller shall not be liable for any non-delivery of the Goods unless Buyer gives written notice to Seller of the non-delivery within seven (7) days of the date when the Goods would in the ordinary course of events have been received. Any liability of Seller for non-delivery of the Goods shall be limited to replacing the Goods within a reasonable period.



4. Risk of Loss

Unless otherwise agreed, the title to the Goods and risk of loss or damage and any further cost and responsibility for claims, delivery, and, if applicable, placement and storage shall pass from Seller to Buyer upon delivery by Seller at Delivery Point, subject to Seller's rights as an unpaid vendor.

5. Security Agreement and Insurance

To secure payment of the price payable under the Contract and performance of all of Buyer's obligations under the Contract, Buyer hereby: (i) grants to Seller a purchase money security interest in all Goods; and (ii) authorizes Seller to file such financing statements and other documents, and agrees to execute such other documents and to do such other acts, as Seller may reasonably deem necessary or advisable to protect its rights in such Goods. In the event Buyer breaches the terms or conditions of the Contract, Seller shall be entitled to, among other damages, an award of costs and attorney fees.

Until Seller has received full payment of the price payable under the Contract, Buyer shall (i) maintain insurance covering all Goods in such amounts and against such risks as is customary by companies engaged in the same or similar business and similarly located, naming Seller as insured or coinsured, and shall, upon Seller's request, furnish evidence of such insurance satisfactory to Seller, and (ii) upon request by Seller, do all things necessary or desirable to adequately insure the Goods against loss or damage.

6. Payment

Unless otherwise agreed, sales will be on a pre-pay on order basis. Any variance from pre-pay on order payment terms must be approved in writing by Seller, and is subject to change at Seller's sole discretion.

If Buyer fails to pay any invoice when due or if, in the judgment of Seller, the financial condition of Buyer or Buyer's parent company, affiliate, related company, group company or any entity that controls or is controlled by or is under the common control with Buyer (collectively, "Buyer's Affiliate") at any time prior to shipment does not justify the extension of credit, then Seller may stop any pending or future shipments until past due amounts are paid in full, and/or require payment in advance or otherwise modify the payment terms upon notice to Buyer.

All delays occasioned by acts of Buyer shall be at the expense of Buyer. Seller reserves the right to assess reasonable charges for its expenses resulting from such delays. All shipments shall be separately invoiced and paid for without regard to subsequent deliveries. Monthly interest at the highest rate allowed by law, shall be charged to all overdue accounts. Buyer will reimburse Seller for all costs and expenses (including attorneys' fees and the costs of bringing any action) incurred in collecting any amounts past due. If a dispute arises between the parties concerning Buyer's alleged right to setoff or recoupment against Seller or its affiliates, the parties shall negotiate in good faith to resolve such dispute.

Notwithstanding the foregoing, Buyer acknowledges and agrees that payments owed to Seller for the Goods supplied under the Contract are not subject to any setoff or recoupment by Buyer unless and until Seller agrees in writing to such setoff or recoupment, and that Buyer shall not exercise its right to setoff or recoupment in connection with any disputed, contingent, or unliquidated claim.

7. Prices

Unless otherwise quoted, prices shall be those in effect at the time of shipment. Unless other terms are specified in the attachments to this document, all prices are quoted and payable in U.S. dollars.

Unless otherwise agreed, the prices quoted do not include any taxes imposed on the sale of the Goods. Any manufacturer's tax, occupation tax, use tax, sales tax, excise tax, goods and service tax (GST), value added tax, duty, custom, inspection or testing fee, or any other tax, fee, interest or charge of any nature whatsoever imposed by any governmental authority (whether domestic or foreign, or federal, state or local) on or measured by the transactions



between Seller and Buyer (other than income taxes imposed on Seller) shall be added to the price of the Goods, invoiced separately, and paid by Buyer in addition to the prices quoted or invoiced.

Buyer agrees to reimburse Seller for any such tax or provide Seller with acceptable tax exemption certificate.

8. Changes in the Goods

Buyer may request in writing changes in the specifications and shipping instructions of the Goods. As promptly as practicable after receipt of such request, Seller shall advise Buyer whether such changes are feasible, timing for implementation if feasible, and what amendments to the Contract, if any, may be necessitated by such changes, including, without limitation, amendment of price, specifications and shipment schedule.

If such proposed amendments to the Contract are accepted in writing by Buyer, Seller shall make the requested changes with respect to such Goods as may be affected thereby.

Seller may at any time make such changes in the Goods as shall constitute an improvement of the Goods or production efficiency in the judgment of Seller. Seller may furnish suitable substitutes for materials unobtainable because of priorities or regulations established by governmental authority or non-availability of materials from suppliers.

9. Export Packaging and Documents

Unless otherwise agreed, Seller shall utilize Seller's standard packing and labeling and ship in full pallet quantities. Prices include Seller's standard commercial export packaging, which will vary depending on whether shipment is made by air or ship.

Buyer shall bear any additional expenses required to satisfy Buyer's specifications. Packages will be marked in accordance with Buyer's instructions, and Seller shall furnish packing lists and such other information that Buyer will have advised Seller may be necessary to enable Buyer's agent to prepare documents required for export shipment.

For customs and duty purposes, Buyer shall supply Seller with all necessary information and assistance that is required for proper classification of the Goods and each shipment to secure the most expeditious clearance of each shipment. No shipping devices may be returned to Seller unless such return is accepted in advance by Seller in writing and unless all return freight is prepaid by Buyer.

10. Limited Warranty

- a. Seller provides a Limited Warranty applicable for a period of ninety (90) days from the date of delivery. Seller warrants that all Goods conform to the final specifications as set forth in the Mabuchi Specification for the Goods supplied. Buyer agrees to inspect the Goods upon receipt for completeness and external damage, and forthwith report any deficiency or damage. Seller shall not be liable for insubstantial or cosmetic external defects that do not affect the function of the Goods. Any claim for defect during the warranty period must be made within thirty (30) days of discovery of the defect.
- b. SELLER MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER EXPRESS OR IMPLIED WARRANTY, EXCEPT AS PROVIDED IN THIS PARAGRAPH 10. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES. SELLER EXPRESSLY DISCLAIMS AND EXCLUDES ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY ARISING FROM USAGE



OF TRADE OR COURSE OF DEALING.

- c. Buyer assumes all risk and liability resulting from use of the Goods, whether used singly or in combinations with other goods.
- d. The warranty set forth in this Paragraph 10 shall not apply in the event of defects or damages caused by: (i) failure of Buyer or any subsequent buyer or user to comply with any operational or maintenance guidelines, parameters or requirements; (ii) physical abuse, including but not limited to, dropping, contaminating with foreign substances, applying excessive loads or forces or improper voltages of or to the Goods or any component or acts of vandalism, by any persons other than Seller, its employees, agents, or subcontractors; (iii) alterations, modifications, additions, or repairs made by anyone other than Seller, its employees, agents or subcontractors; or (iv) accidents or damage resulting from fire, water, wind, hail, lightning, electrical surge or failure, earthquake, theft or similar causes not caused or contributed to by the sole negligence of Seller or its employees, agents, or subcontractors.

11. Patents, Trademarks and Copyrights

- a. Seller, at its own expense, shall defend or settle any suits that may be instituted by an unrelated third party against Buyer to the extent such suits relate to infringement of any patent, trademark or copyright by the Goods manufactured by Seller pursuant to the Contract, if such infringement directly arises out of the use of such Goods, or components thereof, in Buyer's business for any of the purposes for which the same were sold by Seller under the Contract, and provided that Buyer shall (i) have made all payments then due under the Contract, (ii) give Seller immediate notice in writing of any such suit, (iii) transmit to Seller immediately upon receipt all processes and papers served upon Buyer, (iv) permit Seller through its counsel, either in the name of Buyer or in the name of Seller, to defend such suits, and (v) give all needed information, assistance and authority to enable Seller to do so.
- b. If the Goods sold to Buyer under the Contract are held in and of themselves, by final court decision from which no appeal can be taken, to infringe any patent and their use is enjoined, or in the event of a settlement or compromise approved in writing by Seller that precludes future use of the Goods sold to Buyer under the Contract, then Seller (i) shall pay any final and unappealable award of damages in such suit to the extent such damages are directly attributable to such infringement, and (ii) shall, at its own expense and at its sole option, (A) procure for Buyer the right to continue using such Goods to the extent contemplated in the Contract, (B) modify such Goods to render them noninfringing, (C) replace such Goods with noninfringing Goods, or (D) refund the price paid by Buyer for such Goods after Buyer's return of such Goods to Seller. This Paragraph 11 states Seller's sole obligation and Buyer's exclusive remedy with respect to patent, trademark or copyright infringement, provided that Seller's liability for patent, trademark and copyright infringement shall not exceed the price paid by Buyer under the Contract.
- c. Seller shall own and continue to own any and all intellectual property rights (including any rights in patents, trademarks, copyrights, and similar intellectual property rights, in any relevant jurisdictions) related to or embodied in the Goods, and no rights in such intellectual property are transferred or licensed to Buyer other than the limited right to incorporate the Goods purchased from Seller in goods to be manufactured or sold by Buyer.

12. Limitation of Remedies

- a. Seller shall be given reasonable and prompt opportunity to examine any claim of defect by Buyer.
- b. Buyer agrees that its sole and exclusive remedy against Seller shall be limited to either repair or



replacement of the Goods or a refund of the purchase price at Seller's option. This exclusive remedy shall not be deemed to have failed of its essential purpose so long as Seller is willing to repair or replace the defective Goods.

13. Limitation of Damages

- a. THE MAXIMUM LIABILITY, IF ANY, OF SELLER FOR ALL DAMAGES, INCLUDING WITHOUT LIMITATION CONTRACT DAMAGES AND DAMAGES FOR INJURIES TO PERSONS OR PROPERTY, WHETHER ARISING FROM SELLER'S BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR OTHER TORT, IS LIMITED TO AN AMOUNT NOT TO EXCEED THE PURCHASE PRICE OF THE GOODS AT ISSUE IN THE CLAIM.
- b. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUES AND PROFITS AND/OR MONETARY REQUESTS RELATING TO RECALL EXPENSES AND REPAIRS TO PROPERTY INCLUDING THIRD PARTY CLAIMS, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- c. Notwithstanding anything to the contrary in the Contract, Seller shall not be responsible for, and shall incur no liability with respect to, any information supplied by Buyer or any of its subcontractors to Seller.
- d. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE LIMITATION OF DAMAGES PROVISIONS SET FORTH IN THIS PARAGRAPH 13 SURVIVE BETWEEN BUYER AND SELLER EVEN IF THE EXCLUSIVE REMEDY SET FORTH ABOVE IS DEEMED TO FAIL OF ITS ESSENTIAL PURPOSE.

14. Confidentiality

- a. All information and materials received by Buyer from Seller or Seller's agents pursuant to the Contract (including any idea, concept, design, prototype, product configuration, invention, method, procedure, system, plan, model, program, software or code, data, specification, drawings, diagram, flow chart, documentation, know-how, work of authorship, and any other subject matter, material, or information that is considered by Seller to be proprietary or confidential and/or that otherwise qualifies for protection under any law providing or creating intellectual property rights, collectively referred to herein as "Confidential Information") shall remain the property of Seller and shall be treated by Buyer as confidential unless Seller has indicated a contrary intent in writing.
- b. Buyer agrees to adopt measures to protect the secrecy and confidentiality of Confidential Information that are reasonable under the circumstances, and will promptly notify Seller of any loss, misuse, or unauthorized disclosure of Confidential Information.
- c. Buyer will not remove any confidentiality, proprietary, or similar markings from Confidential Information. Immediately upon termination of the Contract, all such Confidential Information, together with any and all copies thereof, shall be returned to Seller.
- d. Any Confidential Information made, conceived, developed or acquired by Seller in connection with the Contract or any related order shall vest in and inure to Seller's full benefit, notwithstanding any charges therefor that may have been or may be imposed by Seller, and shall not be disclosed to third parties without Seller's prior written consent. This obligation shall continue for so long as any Purchase Order for the Goods related to or using such Confidential Information is in effect and for a period of two years thereafter, provided, however, that the obligations of confidentiality with respect to Confidential Information designated by Seller to constitute a trade secret shall continue



- for as long as such information is entitled to protection as a trade secret.
- e. The obligations of confidentiality herein will not apply to information that:
 - (i) is or becomes publicly known through no fault of Buyer;
 - (ii) can be proved to be already known to or possessed by Buyer at the time of disclosure;
 - (iii) can be proved to be independently developed by Buyer without use of or reference to Confidential Information; or
 - (iv) is lawfully obtained by Buyer from a third party under no obligation of confidentiality.
 - f. In the event that Buyer is ordered to disclose Confidential Information pursuant to a judicial or governmental request, requirement or order, if legally permitted to do so, Buyer shall promptly notify Seller and take reasonable steps to assist Seller in contesting such request, requirement or order or in otherwise in protecting Seller's rights prior to disclosure.

15. Buyer's Property

Any property of Buyer placed in Seller's custody for performance of the Contract is not covered by Seller's insurance, and no risk is assumed by Seller in the event of loss or damage to such property by fire, water, burglary, theft, civil disorder or any event beyond Seller's control.

16. Force Majeure

Seller shall not be liable for delays or failures in performance of an order or default or delay in delivery arising out of or resulting from causes beyond its control. Such causes include, but are not restricted to, acts of God, acts of Buyer, acts of the Government (justified or not) or the public enemies, fires, explosions, earthquakes, tsunami, floods, epidemics, diseases, quarantine restrictions, strikes, lockouts, labor disputes, freight embargoes, wars (declared or undeclared), terrorist acts, riots, insurrections, civil disturbances, accidents to means of transportation, severe weather or default of suppliers due to any of such causes.

17. Compliance with Law and Policies

Buyer shall comply with all applicable laws, regulations and ordinances. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Contract. Buyer shall comply with all export and import laws of all countries involved in the sale of the Goods under the Contract or any resale of the Goods by Buyer. Buyer assumes all responsibility for shipments of the Goods requiring any government import clearance. Seller may terminate the Contract if any governmental authority imposes antidumping or countervailing duties or any other penalties on the Goods.

18. Termination

- a. Unless otherwise set forth on the face of Seller's quotation, the term of the Contract shall be one year. Either party may cancel the Contract upon ninety (90) days written notice. In the event of such a cancellation by Buyer, Buyer shall pay to Seller: (i) the agreed unit prices for completed Goods (or components or units of components thereof) under the Contract or any related order; including the prices for finished goods to be supplied for a period equivalent to Order Lead Time, not less than 16 weeks, based on any forecasted schedule, release or order issued by Buyer prior to notice and acceptance of cancellation or the annual planned production of the Goods estimated by Seller; (ii) the prices for parts and raw materials that are prepared or to be prepared for making the Goods for a period designated by Seller, at least 25% of Order Lead Time (the length of such period is decided based on characteristics of the parts and raw materials); (iii) the prices for then existing inventories of the Goods, semi-products, related parts and raw materials for supply to Buyer that are not included



in the prices according to (i) and (ii); (iv) all other costs incurred by Seller prior to cancellation directly connected with work under the Contract or any related order; (v) all other costs incurred by Seller associated with the cancellation of the Contract or any related order, including, without limitation, cancellation charges under subcontracts, charges for packing, removal to storage and/or restocking; plus (vi) 15% of the sum of (i) through (v). The amounts of (i) through (vi) shall be calculated and determined by Seller and be accordingly informed to Buyer without delay. Until Seller has received all of the foregoing cancellation charges, all cancelled Goods shall remain the sole and exclusive property of Seller, regardless of the state of completion of such Goods.

- b. If any of the following events occurs, in addition to any remedies that may be provided herein, Seller may terminate the Contract, in whole or part, and/or cancel any accepted Buyer's order with immediate effect upon written notice to Buyer without any liability against Buyer, and may claim damages incurred due to such event to Buyer:
- (a) Buyer fails to pay any amount owed to Seller when due and payable;
 - (b) Buyer commits a material breach of any of its obligations under the Contract and such breach is not cured within a reasonable period after receipt of notice from Seller;
 - (c) Buyer or Buyer's Affiliate becomes insolvent (including, but not limited to, dishonoring its drawn bill or check);
 - (d) Buyer or Buyer's Affiliate (i) makes a general assignment for the benefit of creditors, (ii) institutes proceedings to be adjudicated a voluntary bankrupt, (iii) seeks reorganization or other similar proceedings under any relevant law, (iv) has a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee or assignee in bankruptcy or insolvency covering all or substantially all of the property of Buyer or Buyer's Affiliate or providing for the liquidation of its property or businesses, or (v) files or initiates proceedings similar to the above-mentioned;
 - (e) Involuntary proceedings, if any, with regard to above (d) against Buyer or Buyer's Affiliate are initiated and not dismissed by a court within a reasonable period;
 - (f) Buyer or Buyer's Affiliate is subject to any judicial or extrajudicial proceeding that results or may result in attachment of assets, intervention or foreclosure of its assets;
 - (g) Buyer or Buyer's Affiliate resolves the dissolution or enters the liquidation procedures;
 - (h) Buyer or Buyer's Affiliate commits a material violation of the law or receives any administrative disposition, including, but not limited to, business suspension or cancellation of business license;
 - (i) Credibility or the financial condition of Buyer or Buyer's Affiliate is deteriorating or there is a reasonable reason to deem that such credibility or the financial condition is deemed to be deteriorating;
 - (j) Buyer or Buyer's Affiliate consummates a change of control. In this Paragraph, "change of control" means a transfer of all or substantially all of its assets, merger with another company, transfer of more than 50% of its share capital or interest, and/or right to appoint 50% or more of its board of directors or other similar controlling body and/or the transfer of power to direct or cause the direction of the management and policies of Buyer or Buyer's Affiliate, or equivalent events;
 - (k) Major product recall or equivalent serious quality problems occurs as a result of the defect in the products of Buyer or Buyer's Affiliate; or
 - (l) There exists any matter equivalent to the above items of (a) through (k).
- c. In case that the Contract is terminated according to Paragraph 18.b, upon demand from Seller, all payment obligations of Buyer owed to Seller shall be accelerated and become immediately due and payable.

19. Miscellaneous

- a. Whenever possible, each provision of the Contract shall be interpreted in such a way as to be effective and valid under applicable law. Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and the parties shall substitute therefor an enforceable provision that achieves the same business purpose as the provision that is prohibited or unenforceable.
- b. THIS CONTRACT SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE INTERNAL LAWS OF THE STATE OF MICHIGAN AND, ADDITIONALLY, WITH RESPECT TO GOODS DELIVERED OUTSIDE THE UNITED STATES, THE UNITED STATES OF AMERICA (WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS). THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL NOT BE GOVERNED BY THE 1980 U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.
- c. Seller and Buyer specifically agree that any action brought by Seller or Buyer to enforce any of the provisions of this Offer or the Contract shall be brought, heard and determined exclusively in either the Circuit Court for the County of Oakland, State of Michigan or, if subject matter jurisdiction exists, the U.S. District Court for the Eastern District of Michigan. The parties stipulate that the referenced venues are convenient. Seller and Buyer acknowledge that all directions issued by the forum court, including, without limitation, all injunctions and other decrees, shall be binding and enforceable in all jurisdictions and countries.
- d. Seller's failure to exercise a right or remedy or Seller's acceptance of a partial or delinquent payment shall not be deemed to be a waiver of any of Seller's rights or Buyer's obligations under the Contract, and shall not constitute a waiver of Seller's right to declare an immediate or a subsequent default.
- e. No assignment of the Contract or of any right or obligation under the Contract shall be made by Buyer without the prior written consent of Seller. In the event of a proper assignment, the Contract shall be binding upon and inure to the benefit of Buyer's successors and assigns.
- f. In the event of Seller's enforcement of any term or condition in the Contract, Buyer shall be liable to Seller for all costs, including attorneys' fees, incurred by Seller in enforcing the Contract and in collecting any sums owed by Buyer to Seller.
- g. In its relationship with Seller, Buyer is an independent contractor. Nothing in the Contract shall be construed such that Buyer shall be considered an employee, agent or partner of Seller. The Contract shall not confer any rights or remedies upon any third-party, other than the parties to the Contract and their respective successors and permitted assigns.