



## **Standard Quotation and Contract Terms**

These Standard Quotation and Contract Terms (hereinafter referred to as "these Contract Terms") apply to individual contracts (hereinafter referred to as "Individual Contracts") agreed upon between Fuji Koki Co., Ltd. (hereinafter referred to as "Party A") and the buyer (hereinafter referred to as "Party B") based on Party A's individual quotations for the sale of products and services supplied by Party A to Party B. In the event of any overlap or contradiction between these Standard Quotation and Contract Terms and the terms specified in the individual quotation, the terms specified in the individual quotation shall take precedence.

### **1. Inspection and Payment Terms**

1. The inspection and payment terms for the products shall be as specified in the Individual Contract.
2. If Party B does not notify Party A of the inspection results within five business days from the delivery of Party A's products, the products shall be deemed to have passed the contract conditions and be considered inspected.
3. Party A shall invoice Party B for the contract amount at the following times:
  - For contract amounts (excluding consumption tax) less than 100 million yen: 100% upon delivery of the products.
  - For contract amounts (excluding consumption tax) of 100 million yen or more: 50% upon receipt of the order, 40% upon delivery of the products, and 10% upon completion of operational confirmation.
4. Party B shall, in principle, pay the invoice amount to the bank account designated by Party A by the end of the month following the month in which the invoice date falls. The transfer fees shall be borne by Party B.
5. Unless otherwise agreed between Party A and Party B, all payments shall be made in Japanese yen.
6. If Party B fails to pay the consideration for Party A's products, Party B shall pay Party A a late payment charge at an annual rate of 14.6% on the unpaid amount from the day following the payment due date until full payment is made.
7. If Party B does not complete the inspection procedures within 12 months after the delivery of Party A's products, Party B shall pay the full amount of the product price regardless of whether the inspection is completed.

### **2. Delivery and Transfer**

1. The ownership of Party A's products shall be transferred to Party B when Party B completes the payment to Party A.
2. If Party A's products are delivered in installments, Party B shall receive and inspect each installment regardless of the reason.
3. Unless otherwise specified, Party A shall deliver the products to the location designated by Party B in accordance with Party A's standard packaging and shipping methods, and the delivery shall be deemed complete when the products are delivered.



4. For Party A's services, the provision shall be deemed complete when the work is completed.
5. Party A shall bear the loss, damage, or other damages to the products that occur before the delivery or completion of the work, except for those attributable to Party B. Party B shall bear the damages that occur thereafter, except for those attributable to Party A.

### **3. Liability for Non-Conformity**

1. If Party B discovers defects based on Party A's design, materials, or manufacturing errors under normal use or operation within the liability period specified in the Individual Contract, Party B shall notify Party A in writing. Upon receipt of this notice, Party A shall take the following actions in order: (i) repair the defect, (ii) if repair is not possible, deliver a replacement. However, Party A shall not be liable for defects if the product has been improperly repaired or modified by Party B, misused, neglected, or damaged due to an accident, used contrary to Party A's instructions, or due to normal wear and tear or deterioration.
2. If the Individual Contract does not specify the liability period for non-conformity, Party A's liability period shall be 12 months after the delivery of standard and spare parts, or 12 months after the completion of operational confirmation for equipment.
3. For services (improvements, repairs, overhauls) provided by Party A, the liability period shall be three months from the completion date of the service. However, the liability period for non-conformity shall not exceed 12 months from the initial contract delivery date or the initial service completion date.
4. Party B shall be responsible for and bear the cost of removing, assembling, and operating equipment other than Party A's products to the extent necessary for the repair of defects in Party A's products. Party A shall not be liable for any damages arising from these actions unless Party A has acted with malice or gross negligence.
5. Party A shall install, assemble, or repair parts manufactured at its approved manufacturing plants (hereinafter referred to as "genuine parts"). If non-genuine parts are used in the work ordered, Party A may request Party B to replace them with genuine parts from a performance maintenance perspective. If the replacement is not made despite this request, Party A may refuse to perform the work or cancel the order.

### **4. Product Liability**

If defects in Party A's products cause damage to the safety of Party A's products or Party B's products incorporating Party A's products, resulting in damage to the life, body, or property of third parties, and such third parties make claims against Party B under the Product Liability Law or other compensation claims, Party A shall resolve the matter in consultation with Party B based on Party B's notification to Party A regarding the cost and responsibility sharing.

### **5. Confidentiality Obligation**

Party A and Party B shall not disclose or leak any business secrets (technical and trade information obtained from drawings, specifications, materials, etc.) learned from the other party through transactions based on the Individual Contract to third parties without prior written consent from the other party.



## **6. Force Majeure**

Party A shall not be liable for any non-performance of all or part of its obligations under the Individual Contract due to force majeure events such as natural disasters, fires, wars, riots, civil disturbances, strikes, terrorism, enactment or revision of laws, orders or dispositions by public authorities, disputes, accidents involving transportation or communication lines, planned power outages, or other reasons beyond Party A's control.

## **7. Changes to Contract Terms**

If it becomes necessary to change the terms of the Individual Contract due to Party B's circumstances, the terms may be changed by agreement between Party A and Party B. Additionally, if sudden price fluctuations or other unforeseen changes in circumstances make it objectively difficult for Party A to perform the Individual Contract, Party A may request changes to the contract terms.

## **8. Limitation of Liability**

Party A shall not be liable for any consequential or indirect damages, including production losses, lost profits, lost power, lost opportunities, claims from Party B's customers, or any other consequential or indirect damages, regardless of the reason. The cumulative maximum liability of Party A to Party B under the contract shall not exceed 10% of the contract price of Party A's products.

## **9. Compliance with Laws and Regulations**

Party A and Party B shall comply with relevant laws and regulations in the performance of the Individual Contract. Neither party shall engage in any form of bribery, excessive entertainment, hospitality, or gifts that violate social norms, or any other illegal or improper acts, nor shall they coerce the other party into such acts.

## **10. Security Export Trade Control**

Even if Party A accepts the contract offer from Party B, the contract will only be established if the competent authorities of the country of origin of the products, technologies, etc. grant export and/or re-export authorization. If such export/re-export authorization is refused, revoked, or invalidated due to circumstances beyond Party A's reasonable control, Party A will be exempt from its contractual obligations regarding the delivery of the related products, technologies, and services, and will not be liable to Party B.

## **11. Trade Compliance**

The quotation will only become legally binding on Party A after Party B receives Party A's acceptance letter based on the quotation, but Party A may cancel its quotation at any time. Party B certifies that the ordered products, etc., will not be used for purposes related to chemical weapons, biological weapons, nuclear weapons, or missiles capable of delivering such weapons, or for any other purposes prohibited by applicable laws. Party B also confirms that the ordered products, etc., will not be sold or transferred, directly or indirectly, to Iran, North Korea, Syria, Russia, Belarus, Crimea, or conflict regions in Ukraine or Russia. Furthermore, Party B certifies compliance with applicable domestic and international trade and customs requirements, or trade embargoes and other trade sanctions (collectively referred to as "Foreign Trade Obligations"). Party B will immediately notify Party A in writing of any violations of this declaration. Party A will not be obligated to perform, nor will it be liable for non-performance, of



any binding orders or agreements, or parts thereof, if performance is hindered by obstacles arising from Foreign Trade Obligations. Party A reserves the right to immediately terminate any binding orders, agreements, or parts thereof, without notice, if performance is hindered by obstacles arising from Foreign Trade Obligations. Party B will indemnify Party A for any direct or indirect damages resulting from any violations of this declaration.

## **12. Termination of the Contract**

1. Party A and Party B may immediately terminate all or part of any individual contracts in effect at that time, without notice or other procedures, and without any penalties, if the other party falls under any of the following conditions:
  - Receives a business suspension or cancellation order from a supervisory authority.
  - Is subject to seizure, provisional seizure, provisional disposition, other compulsory execution, or auction application by a third party, or is subject to delinquent tax collection.
  - Is subject to bankruptcy, civil rehabilitation, corporate reorganization, or other public debt restructuring procedures, or if other public or private debt restructuring procedures are initiated, or if such procedures are announced or notified.
  - Falls into a state of insolvency or receives a dishonored bill disposition.
  - Ceases operations, closes its main business office, or if its representative goes missing and becomes unreachable.
  - Violates the provisions of Section 9.
  - Is found to be an anti-social force such as a gang, or has a relationship with such forces.
  - Any other circumstances equivalent to the above.
2. Party A and Party B may terminate all or part of any individual contracts in effect at that time if the other party violates any provisions of this individual contract and fails to correct the violation within 30 days after being notified.

## **13. Loss of Benefit of Time**

If Party B falls under any of the conditions in Section 12(1) items 1 to 8, or if any individual contract is terminated under Section 12(2), Party B will lose the benefit of time for all debts to Party A and will immediately pay the full amount of the debts to Party A.

## **14. Priority Application of Other Agreements**

If there is a written agreement between Party A and Party B that differs from these contract terms, such agreement will take precedence over these contract terms.

## **15. Governing Law**

All matters, including the validity, interpretation, and performance of these contract terms, will be governed by and interpreted in accordance with the laws and regulations of Japan, unless otherwise agreed upon in each clause.



#### **16. Jurisdiction**

Party A and Party B agree that the Osaka District Court will have exclusive jurisdiction as the court of first instance for any judicial disputes arising from these contract terms.

#### **17. Language**

The original language of these contract terms is Japanese, and any translations into other languages are for the convenience of the parties' interpretation only.

[Revised July 2024]