

# **Standard Terms and Conditions for EMC Consulting Services**

## **Article 1 (Purpose and Application)**

These Terms and Conditions (hereinafter "Terms") set forth the conditions for the EMC Consulting Services and Emergency Services (hereinafter "Services") provided by Hotta EMC Consulting (hereinafter "Consultant"). By applying for the Services, the Client shall be deemed to have agreed to all provisions of these Terms.

## **Article 2 (Scope of Services and Subcontracting)**

1. The Consultant shall provide the following services to the Client:
  - (1) Analysis of causes and proposal of mitigation measures for EMC test failures.
  - (2) Technical advice on modifications to circuits, PCB structures, enclosures, etc.
  - (3) On-site support and verification of compliance at test facilities.
2. The specific scope and details shall be determined based on individual quotations or agreements via email or other electronic means.
3. The Consultant shall not subcontract any part of the Services to a third party without the prior written consent of the Client.

## **Article 3 (Fees and Payment Terms)**

1. The fees for the Services shall consist of a Retainer Fee, expenses, and a Success Fee.
2. The Retainer Fee and expenses shall be incurred upon commencement of the Services and shall be borne in full by the Client, regardless of the test results.
3. The Success Fee shall be incurred when the target product passes the test. The basic fee is 550,000 JPY (including tax) per item, with an additional 110,000 JPY (including tax) for each subsequent item passed simultaneously.
4. The Consultant shall issue an invoice (including PDF format) promptly after the conclusion of the test. The Client shall pay the fees to the designated bank account within 14 days of the invoice date. All bank transfer fees, including intermediary bank charges, shall be borne by the Client.

#### **Article 4 (Definition and Verification of Success)**

1. "Success" (Passing) is defined as the point at which the target product meets the criteria of the applicable standards at a testing laboratory or an agreed-upon measurement environment.
2. If success is confirmed through the Consultant's mitigation measures, the Client shall sign a "Service Completion Form." This signature shall finalize the obligation to pay the Success Fee.
3. If success is confirmed without the Consultant's presence (e.g., in a subsequent re-test), the Client must notify the Consultant without delay.
4. In the case of the preceding paragraph, the Client shall promptly provide documentation (drawings, photos, layout excerpts, etc.) to verify the implementation of the measures if the Consultant deems it necessary.
5. If the Client refuses to provide such documentation without justifiable cause or fails to report the test results, it shall be deemed that the Consultant's measures were adopted and led to a successful result, and the Success Fee shall become due.
- 6. If any part of the measures proposed by the Consultant (including circuit modifications, pattern changes, or component value adjustments) is incorporated into the final configuration that passed the test, the Success Fee shall be due in full, regardless of whether other measures were used in combination.**
7. Once success is verified, the obligation to pay the Success Fee shall not be waived, regardless of the product's commercial viability, design margins, or any internal circumstances of the Client.

#### **Article 5 (Handling of Equipment and Disclaimer)**

1. The Client shall provide the Consultant with access to prototype boards, measuring instruments, and peripherals (hereinafter "Equipment") necessary for the Services.
2. The Consultant shall handle the Equipment with the due care of a prudent manager.
3. Due to the nature of EMC testing, the Consultant shall not be liable for any unavoidable malfunctions, damage, performance degradation, or data loss of the Equipment occurring during testing or modification, unless caused by the gross negligence of the Consultant.

4. The Consultant shall not be obligated to repair or replace the Equipment or restore data resulting from the preceding paragraph.

#### **Article 6 (Intellectual Property and Confidentiality)**

1. Intellectual property rights newly created in the course of the Services shall, in principle, belong to the Client. However, all rights related to know-how and EMC mitigation techniques that are not dependent on a specific product (hereinafter "**Consultant's Background IP**") held by the Consultant prior to the Services shall remain with the Consultant.
2. The Client may use the Consultant's Background IP for the development and design of its own products. However, the Client shall not divert the Consultant's Background IP for consulting services, education, or similar business activities for third parties. **The Client shall not apply for patents or any other intellectual property rights regarding the Consultant's Background IP itself.**
3. Both parties shall maintain the confidentiality of technical and business secrets obtained through the Services and shall not disclose them to third parties without prior consent.
4. The provisions of paragraphs 2 and 3 shall survive for 5 years after the termination of this agreement. Rights to the Consultant's Background IP shall remain with the Consultant indefinitely.

#### **Article 7 (Limitation of Liability)**

1. If the Consultant damages the Client's property (prototypes, etc.) due to negligence, the Consultant shall compensate the Client for the direct manufacturing cost of said property.
2. **Notwithstanding any other provision, the Consultant's total liability for damages related to the Services, regardless of the cause of action, shall be limited to the amount of the Retainer Fee actually paid by the Client to the Consultant.**
3. If the Client violates Article 6, the Client shall compensate the Consultant for all damages (including lost profits), notwithstanding the limitation in paragraph 2.
4. If a third party claims intellectual property infringement regarding the performance of the Services, both parties shall consult to resolve the issue. The Consultant shall not be liable unless caused by the Consultant's intentional act or gross negligence.

### **Article 8 (Exclusion of Anti-Social Forces)**

1. Both the Client and the Consultant represent and warrant that they currently do not fall under any "Anti-Social Forces" (organized crime groups or similar entities) and will not do so in the future.
2. If either party violates the preceding paragraph, the other party may terminate this agreement immediately without any notice.

### **Article 9 (Prohibition of Assignment of Rights and Obligations)**

Neither the Client nor the Consultant shall assign, transfer, or provide as collateral any of its rights or obligations under these Terms to a third party without the prior written consent of the other party.

### **Article 10 (Effective Term and Survival)**

1. The agreement based on these Terms shall remain effective from the commencement date of the Services until the completion of payment for all fees and expenses.
2. Even after the termination of the agreement, the provisions of Article 6 (Intellectual Property and Confidentiality), Article 7 (Limitation of Liability), and Article 11 (Governing Law and Jurisdiction) shall remain in full force and effect.

### **Article 11 (Governing Law and Jurisdiction)**

1. These Terms shall be governed by and construed in accordance with the laws of Japan.
2. Any disputes arising from these Terms or the Services shall be subject to the exclusive jurisdiction of the District Court having jurisdiction over the Consultant's location as the court of first instance.

### **Article 12 (Consultation in Good Faith)**

Any matters not stipulated in these Terms or any ambiguities in interpretation shall be resolved through good-faith consultation between both parties.