

ADDENDUM TO
KNOWLES
PURCHASE ORDER TERMS AND CONDITIONS

(JAPAN)

1. **Introduction.** This Addendum to Purchase Order Terms and Conditions (the “Addendum”) supplements the Knowles Purchase Order Terms and Conditions (the “Conditions”). Terms not defined herein shall have the same meaning as in the Conditions. In case of any conflict between this Addendum and the Conditions, this Addendum shall prevail.

2. **Transfer of Ownership and Passing of Risk.** The ownership of the Products or Services shall be transferred from SUPPLIER to CUSTOMER upon delivery of the Products or Services in accordance with Section 3 of the Conditions. The risk concerning the Products or Service shall pass from SUPPLIER to CUSTOMER upon the passage of three (3) days after final inspection by CUSTOMER pursuant to Section 7 of the Conditions.

3. **Payment Terms.** All payments in accordance with Section 2 of the Conditions shall be made in the Japanese currency, unless otherwise designated by CUSTOMER.

4. **Compliance with Laws and Regulations.**

4.1. In addition to Section 14 of the Conditions, SUPPLIER hereby represents that SUPPLIER currently does not fall under any of the following persons nor of the below items, and SUPPLIER assures that SUPPLIER will not fall thereunder in future as well: an Organized Crime Group, a member of an Organized Crime Group, a person who has ceased to be a member of an Organized Crime Group and for whom five years have not elapsed from the day of such cessation; a quasi-member of an Organized Crime Group; an entity affiliated with an Organized Crime Group; a corporate racketeer (sokaiya); a person engaging in criminal activities under the pretext of conducting social campaign or political activities (shakaiundo hyobo goro); a racketeering group specialized in intellectual crimes (tokushu chinou boryoku shudan); or those equivalent to the foregoing (hereinafter collectively referred to as “Organized Crime Groups”).

(i) Associated with Organized Crime Groups in a manner where it is recognized that the management of SUPPLIER is controlled by Organized Crime Groups;

(ii) Associated with Organized Crime Groups in a manner where it is recognized that Organized Crime Groups are substantively involved in the management of SUPPLIER;

(iii) Associated with Organized Crime Groups in a manner where it is recognized that SUPPLIER uses Organized Crime Groups unjustly for the purpose of seeking unjust profits for itself or or a third party, or for the purpose of damaging a third person;

(iv) Associated with Organized Crime Groups in a manner where it is recognized that SUPPLIER is involved in Organized Crime Groups by, among others, funding Organized Crime Groups or by extending facilities to Organized Crime Groups; or

(v) An officer or a person who is substantively involved in the management of SUPPLIER is associated with Organized Crime Groups in a socially disapproved manner.

4.2. SUPPLIER hereby assures that SUPPLIER, either by itself or by using a third party, will not engage in an act that falls under any of the following items:

(i) Make a demand in a violent manner;

- (ii) Make an unreasonable demand that goes beyond the limits of legal liability;
- (iii) Act in an intimidating manner or use violence in relation to transactions;
- (iv) Damage the credit of CUSTOMER or obstruct the business of CUSTOMER by spreading false information or through fraudulent means or by using forcible influence; or
- (v) Any other act equivalent to preceding items.

4.3. In the event of discovery that SUPPLIER falls under Organized Crime Groups or any of the items of Section 4.1, or commits an act falling under any of the items of Section 4.2, or made false declaration with regard to the representation and assurance under the provision of Section 4.1, and it is inappropriate to continue the transaction with SUPPLIER, CUSTOMER may cancel the Order without any demand.

4.4. SUPPLIER will not make any claim to CUSTOMER for any damage incurred by SUPPLIER due to the application of the provision of Section 4.3. Further, if CUSTOMER incurs any damage, SUPPLIER will be liable for such damage.

5. **Cancellations.** In addition to (a) through (d) of Section 12 of the Conditions and Section 4.3 of this Addendum, CUSTOMER may cancel the Order without liability at any time and immediately (i) in case SUPPLIER's transactions with banks are suspended, or there is an attachment, provisional attachment, provisional disposition, compulsory execution, etc. or (ii) in case there is a petition for dissolution, commencement of procedures of bankruptcy, commencement of procedures of civil rehabilitation, commencement of procedures for corporate reorganization, etc. against SUPPLIER. In the event of cancellations in accordance with (a) through (d) of Section 12 of the Conditions or Section 4.3 or this Section 5, SUPPLIER will forfeit the benefit of time in relation to any and all obligations owed to CUSTOMER upon receiving the cancellation notice from CUSTOMER, and will perform the obligations immediately.

6. **Governing Law and Venue.** Notwithstanding Section 24 and 25 of the Conditions, this Addendum and the Conditions shall be governed by Japanese law, without regard to any conflict of law principles and to the exclusion of the provisions of the United Nations Convention on the International Sale of Goods. All litigation between SUPPLIER and CUSTOMER which may arise out of or in connection with the Conditions and this Addendum or any transaction between them shall be subject to the exclusive jurisdiction of the Tokyo District Court in Japan, and each hereby consents to the jurisdiction of such courts.