

Compliance Terms and Conditions Hitachi Rail STS USA, Inc.

1) Preamble

- a) These are the Compliance Terms and Conditions (hereinafter the “Compliance Terms and Conditions” or the “Terms and Conditions”) under which Company engages Supplier to purchase Products from Supplier, as further specified in each Agreement.
- b) The Parties agree that the Purpose of these Compliance Terms and Conditions shall also extend to any Company and Supplier Affiliates.
- c) Company may modify the Compliance Terms and Conditions, including schedules, exhibits, attachments, and links incorporated herein or by reference, at any time, upon prior notice to Supplier.

2) Definitions

"Affiliates" means in relation to any Party, a subsidiary, joint venture, or related company of that person or a parent company of that Party or any other subsidiary, joint venture, or related company of that parent company.

"Agreement" means the separately issued legally binding contract that clarifies the terms of the transaction including pricing, rights, and responsibilities between Company and Seller.

"Anti-Bribery and Anti-Corruption Laws" means, individually and collectively, all applicable laws, rules, and regulations (including international treaties and conventions) regarding anti-bribery, kickbacks, fraud, illegal payments, and gratuities, anti-money laundering, anti-terrorism, economic sanction, and anti-boycott laws and/or similar regulations or practices, including, without limitation, the Foreign Corrupt Practices Act of 1977 (“FCPA”), *as amended*, the UK Bribery Act 2010, and any applicable international conventions of similar effect, including the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Officials in International Business Transactions, and legislation implementing any such convention, and any other applicable local anti-bribery laws, in each case as each may be amended from time to time.

"Company" means Hitachi Rail STS USA, Inc., and includes its Affiliates, legal successors, and permitted assignees, as may be approved by Company, in writing, pursuant to the terms of the Agreement.

"Compliance Terms and Conditions" means this documents with all the schedules, exhibits, attachments and links incorporated herein or by reference, as the same may be amended, supplemented, or modified from time-to-time in accordance with the terms hereof.

"Day" means a calendar day.

"Export Control Laws" means, where applicable, Canadian export control laws or regulations, or U.S. federal laws and regulations that govern the transfer of products, Goods, technology, software, services, and funds originating in the United States to persons or entities in foreign countries, or to non-U.S. persons even if located in the United States, including, without limitation, all applicable regulations from the U.S. Department of Commerce, the Export Administration, the U.S. Department of State, the U.S. Treasury Department, the Office of Foreign Assets Control ("OFAC"), the Office of Diversion Control, the U.S. Department of Justice, the U.S. Department of Energy, and any other applicable federal agency with jurisdiction over such areas.

"Goods" means products, materials, raw materials, supplies, equipment, information, work product, data, drawings, designs, specifications, reports and/or off-the-shelf software furnished by Supplier to Company pursuant to the terms and conditions of the Agreement.

"Government Authority" means any government or governmental, semi-governmental, administrative, municipal, fiscal or judicial body, department, commission, authority, tribunal, agency, or entity.

"Key Milestone(s)" means those events and/or dates identified in the Agreement to deliver or provide the Products.

"OFAC" means the U.S. Office of Foreign Assets Control.

"Party or Parties" means Company and/or Supplier and their respective directors, officers, and employees referred to in the singular or plural.

"Products" means collectively the Goods and/or Services.

"Related Parties" means subcontractors and suppliers of any tier of a Party or its Affiliates.

"Representatives" shall mean officers, directors, employees, agents, attorneys, accountants, advisors and other representatives of a Party or its Affiliates.

"Services" means the tasks/deliverables to be provided/performed by Supplier for the Company pursuant to the terms and conditions of the Agreement.

"Supplier" means the party selling the applicable Products to Company and includes its legal successors and permitted assignees as may be approved by Company, in writing, pursuant to the terms of the Agreement.

"Trade and Compliance Laws" means, where applicable, Canadian law or regulations, or U.S. law and regulations, or other international trade laws, rules, and regulations including, without limitation, those involving import compliance, export compliance, and export controls, that affect the processes and procedures utilized by the Parties.

"United Nations Security Council Committee" or "USNC" means the principal organ of the United Nations charged with ensuring peace, security, member admission, and changes to the U.N. Charter, including operations, sanctions, and military activity.

3) Compliance Codes.

- a) Supplier warrants, and covenants that, it has complied with, will comply with, and will cause its Representatives to fully comply with, in connection with the Compliance Terms and Conditions, all applicable compliance-related laws and regulations, as well as the Company's Supplier Code of Conduct, and the Organizational and Management model ("Model"), pursuant to the Legislative Decree n. 231/2001, which it has fully read and understand, including subsequent amendments or additions thereto available at: <https://www.hitachirail.com/our-company/compliance-ethics/>. Each Party also acknowledges that it has fully read and understands the principles contained in the Hitachi Group Codes of Conduct and of Ethics and Compliance available at: <https://www.hitachi.com/corporate/about/conduct/>.

4) Anti-Bribery and Anti-Corruption Compliance.

- a) Supplier shall comply with all relevant Anti-Bribery and Anti-Corruption Laws. It warrants and covenants that:
- i) neither it nor its Related Parties and Representatives will pay, promise to pay, or authorize payments of any money or anything of value, directly or indirectly, to any person for the purpose of illegality or improperly inducing a business decision or obtaining or retaining business in connection with the Agreement, or the transactions contemplated by the Agreement;
 - ii) to the best of its knowledge and belief, neither it nor its Related Parties and Representatives involved in the Agreement are engaging in, or are being or have been convicted of, or prosecuted for, any offence under the Anti-Bribery and Anti-Corruption Laws; and
 - iii) any prior convictions, prosecutions, or ongoing matters, including investigations, before a competent court or Government Authorities related to bribery or corruption allegations against Supplier, its Related Parties and Representative shall be disclosed to Company immediately.
- b) Supplier shall have and maintain in place throughout the term of the Agreement its own policies and procedures to ensure compliance with the Anti-Bribery and Anti-Corruption Laws and shall provide to Company supporting evidence of compliance with this Section as Company may reasonably request.

5) Human Rights and Modern Slavery Compliance.

- a) In performing its obligations under the Agreement, Supplier shall comply with all applicable anti-slavery, human rights, and human trafficking laws, regulations and codes in force, which are taken to include at least the following obligations:
- i) to respect the human rights of its employees and others in their business operations, supply chain, and their activities for the Agreement;
 - ii) not to employ workers younger than sixteen (16) years of age or below the applicable legal minimum age, whichever is higher;

- iii) not to use forced, prison or indentured labor, or workers subject to any form of compulsion or coercion, or to engage in or abet trafficking in persons.

6) Export and Trade Control Compliance.

- a) Each Party:
 - i) will comply with all the applicable export control, asset control, and trade regulations;
 - ii) must not be listed on any government or black list of persons, groups and entities subject to Trade and Compliance Laws and financial restrictive measures or list of subjects linked to international terrorism, including but not limited to “consolidated list of persons, group and entities subject to EU sanctions”, “OFAC specially designated nationals list” produced by the US Department of Treasury, list established and maintained by the United Nations Security Council Committee with respect to individuals, groups, undertakings and other entities associated with terrorism; “watch lists” issued by the Office of the United States Trade Representative or other U.S. federal agencies, or any other list established by the U.S. Government for purpose of compliance with these Compliance Terms and Conditions;
 - iii) must not engage in conduct that could lead to it being listed on any such black list;
 - iv) must not conduct, in connection with the Agreement, business or engage any Related Party or Representative which is prohibited by any U.S., international, or Government Authorities,
 - v) must not be based or registered in any sanctioned countries or countries under embargo or on any “watch list” or prohibited list for the Goods or services to be provided.
- b) Supplier shall provide to Company by email to the [Importexport.TradecomUS@hitachirail.com email address](mailto:Importexport.TradecomUS@hitachirail.com), within thirty (30) Days from the acceptance of the Agreement ,and at least three (3) Days before the delivery of any Products Key Milestone, the “Company’s Export and Trade Compliance Declaration” available at: <https://www.hitachirail.com/our-company/suppliers/key-documents/?location=default&type=undefined> indicating the Company PO number and the relevant Agreement date of signature. Supplier hereby acknowledges that it has fully read and understands the Company’s Export and Trade Compliance Declaration, and has had an opportunity to consult with its own counsel regarding the same.
- c) In the event Supplier has knowledge of any alterations to origin and/or characteristics of the Products and/or to the applicable Export Control Laws, it shall notify Company no later than three (3) Days upon discovery by email to the following address: Importexport.TradecomUS@hitachirail.com, indicating the Company PO number, and the relevant Agreement date of signature.
- d) Supplier shall be liable for any and all incidental or consequential expenses and/or damages incurred by Company due to any inaccuracy of said export control data. Company shall not be obligated to fulfil its obligations under the

Agreement if such fulfilment is prevented by any impediments arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions, or any other trade related-related issue.

- e) Failure to deliver the supporting "Company's Export and Trade Compliance Declaration" and information referenced in this Section, or elsewhere within the Compliance Terms and Conditions, shall cause discontinuation of payments until the aforementioned documents are provided.

7) Personal Data Protection.

- a) The personal data collected by Supplier in connection with the Agreement shall be processed by means that ensure the security and confidentiality of the data, in full compliance with all applicable law and regulatory provisions. Personal data shall only be communicated to persons to whom communication is required in order to implement the Agreement. In order to facilitate the exercise of rights, each Party shall have in place a specific procedure established to protect the rights and freedoms of data subjects.

8) Further Subcontracting.

- a) Supplier may not engage Related Parties and Representatives in connection with the Agreement without the prior notification to Company. Supplier shall screen and conduct due diligence on Related Parties and Representatives and monitor them thereafter, to ensure there is: (1) no breach of these Compliance Terms and Conditions, attached hereto, or within any links provided by Company, which are included herein as well as those attached hereto and incorporated herein by reference (and may be updated from time-to-time); or (2) reputational concerns, which could pose any undue risk to the Parties.

9) Compliance Breaches and Remedial Rights.

- a) Supplier shall promptly notify Company of any actual, potential, or alleged breach of this Section by it, or its Related Parties, or Representatives. If Company has reasonable suspicion of any such breach, it may audit the records of Supplier or its Related Parties or Representatives with respect to the suspected non-compliance. In any case, Supplier expressly authorizes Company to audit and/or to appoint an external auditor in order to audit its activities and expenditures at its sole discretion for the sole purpose of verifying Supplier's compliance with Company's Compliance Terms and Conditions.
- b) Supplier hereby commits to keep and ensure it keeps all records necessary to permit such audits until at least six (6) years after the expiration of the Agreement.
- c) If Supplier is in breach of the Compliance Terms and Conditions:
 - i) Company may exercise any of its rights in accordance with the Compliance Terms and Conditions, the Agreement, and applicable law, and
 - ii) Supplier shall indemnify, defend, and hold harmless Company from any and all claims, losses, damage, liability, expenses, and costs, of any nature or kind arising from, or connected with Supplier's failure to comply

with the provisions of these Compliance Terms and Conditions. The breach of any of the provisions of the Compliance Terms and Conditions is a material breach under the Agreement and without prejudice of any other right, relief, or remedy, entitles Company to terminate the Agreement immediately.

10) Acknowledgement of Compliance Terms and Conditions

- a) By entering into the Agreement and approving these Compliance Terms and Conditions, Supplier hereby acknowledges that it has fully read and understands the requirements of these Compliance Terms and Conditions. Supplier further acknowledges that: 1) it and its Affiliates are not currently in breach of these Compliance Terms and Conditions; 2) it has had the opportunity to consult its own counsel with regard to these Compliance Terms and Conditions; and 3) it has read and understands these Compliance Terms and Conditions, and has determined that it and its Affiliates are not in violation of any aspect of these Compliance Terms and Conditions, prior to entering into the Agreement.